The Altus Group Condominium Apartment Monitor

Vancouver Edition

Data as of Second Quarter 2019

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New Condominium Apartment Dashboard

Altus Group

Q2 2019			YTD Q2 2019	
Sales	Inventory	Avg. Launch $/SF	Sales	Avg. Launch $/SF
1,234	7,050	$800	2,850	$857
-47%	185%	-8%	-51%	-16%
Lowest quarter since Q3 2011	*Highest quarter since Q2 2015*	*Lowest quarter since Q1 2017*	*Lowest YTD Q2 since 2009*	*Second highest YTD Q2 ever*

% change is from same period a year earlier

Highlights

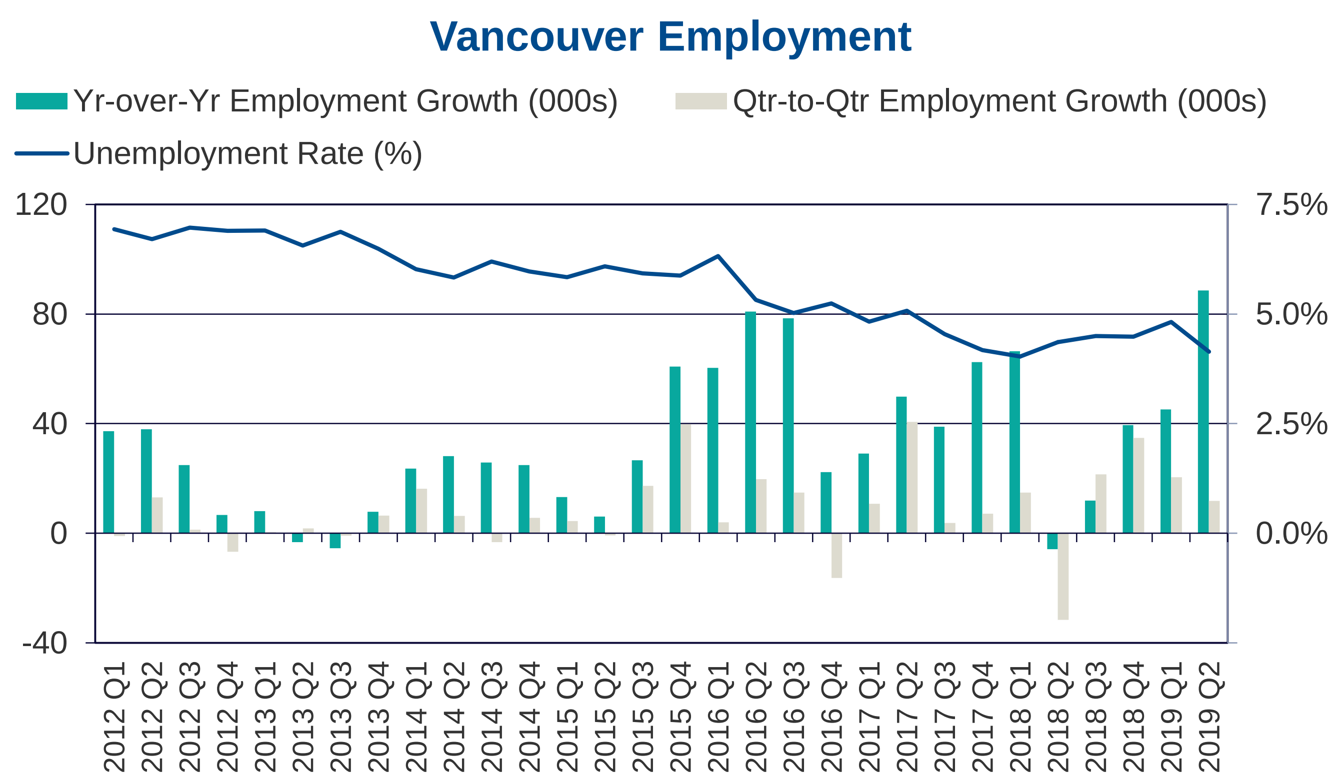
- **The condo market slowdown continued in Q2 2019 as new condominium apartment sales in the Vancouver Market Area fell to their lowest quarterly level since Q3 2011,** and less than half of the 10 year average. **There were fewer new launches in the quarter, and they had lower sales rates than a year ago** (with about one-third of units sold by the end of quarter, half the sales rate for projects launched in Q2 2018).
- **Condo apartment inventory** available to purchase **increased again.** Elevated inventory levels are **exerting downward pressure on prices and making incentives increasingly commonplace**. Some new project launches are being delayed, construction starts of some already launched projects are being pushed back and we are starting to see a few launched projects being taken off the market.
- **Looking ahead, we expect Q3 launches to remain muted**. On the good news front, homebuying intentions are up among potential first-time buyers – but **many buyers will be "bargain-hunting" in terms of pricing and incentives**. **Expect a continuation of a very competitive market environment for the rest of this year.**

Vancouver Condominium Apartment Key Performance Indicators

	Q2 2018	Q1 2019	Q2 2019	*Yr-Over-Yr % Change*	YTD Q2 2018	YTD Q2 2019	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	145	156	172	*19%*	139	164	*18%*
New projects opened	35	12	21	*-40%*	54	33	*-39%*
Units in new projects opened	3,882	1,959	1,587	*-59%*	7,648	3,546	*-54%*
Total sales (units)	2,348	1,616	1,234	*-47%*	5,799	2,850	*-51%*
Sales as % of total new & resale	*26%*	*30%*	*19%*		*32%*	*24%*	
Inventory (units)	2,473	6,794	7,050	*185%*	2,270	6,922	*205%*
Sales-to-inventory ratio	32%	8%	6%	*-82%*	44%	7%	*-84%*
Months of inventory	2.4	7.4	8.6	*264%*	2.0	8.0	*292%*
Launch Price PSF	$870	$915	$800	*-8%*	$1,015	$857	*-16%*
Launch Unit size (sq. ft)	773	748	838	*8%*	806	793	*-2%*
Units completed	1,537	1,927	3,402	*121%*	3,018	5,329	*77%*
Resale Condominium Apartments (Real Estate Board of Greater Vancouver and Fraser Valley Real Estate Board data)							
Total sales (units)	6,630	3,843	5,331	*-20%*	12,435	9,174	*-26%*
New listings (units)	4,057	3,309	3,910	*-4%*	6,858	7,219	*5%*
Inventory ("active listings", units)	5,333	7,061	9,015	*69%*	4,201	8,038	*91%*
Sales-to-inventory ratio	41%	18%	20%	*-52%*	52%	19%	*-64%*
Months of inventory	2.4	4.4	6.1	*156%*	1.8	5.2	*191%*
HPI constant quality price	$701,824	$653,808	$652,184	*-7%*	$689,095	$652,996	*-5%*
HPI constant quality price index (Jan 2005=100)	295.1	274.9	274.2	*-7%*	289.8	274.6	*-5%*

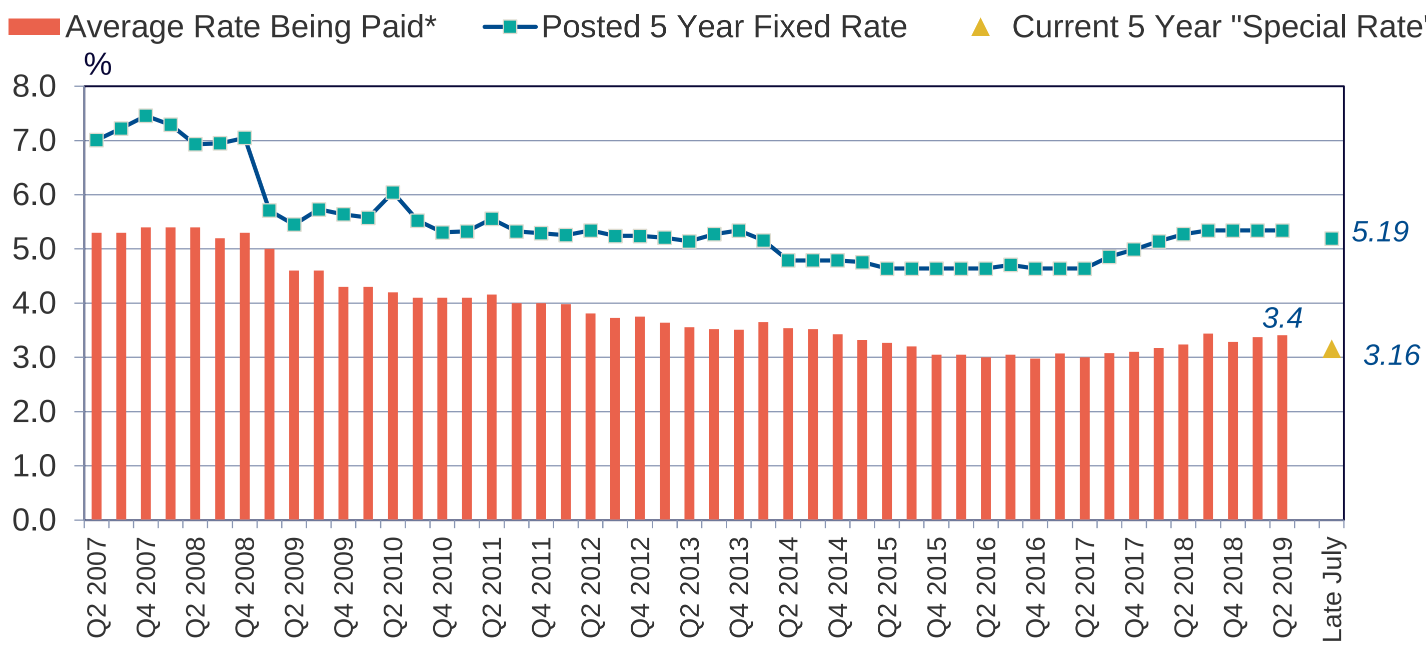
** see end of report for Definitions*

- Employment in the Vancouver market (Vancouver & Abbotsford CMAs) grew on a quarter-to-quarter basis for the fourth quarter in a row in the second quarter of 2019. **An impressive 88,600 jobs were gained for the 4 quarters ending Q2 2019**. On the strength of the job growth, the unemployment rate reversed its recent upward trend and dipped to 4.1% at the end of Q2 2019.
- **The posted 5 year mortgage rate moved down by 15 basis points in mid July, the first decline since September 2016** (*chart top of next page*), according to Bank of Canada data. However, there are "special" mortgage rates to be had in the market well below posted rates, with some 5 year fixed rate mortgages available below 3%.
- **Overall homebuying intentions in Vancouver are down slightly this Summer compared to last year**, according to Altus Group's latest FIRM Survey (*chart bottom of next page*), but compare favourably with the average for the previous 5 years. The decline from last Summer is due entirely to lower intentions among current homeowners; intentions were up among current renters (i.e. the key group for potential first-time buyers). This pattern may suggest that there could be some shift in demand towards more affordable product.



Source: Altus Group based on Statistics Canada data

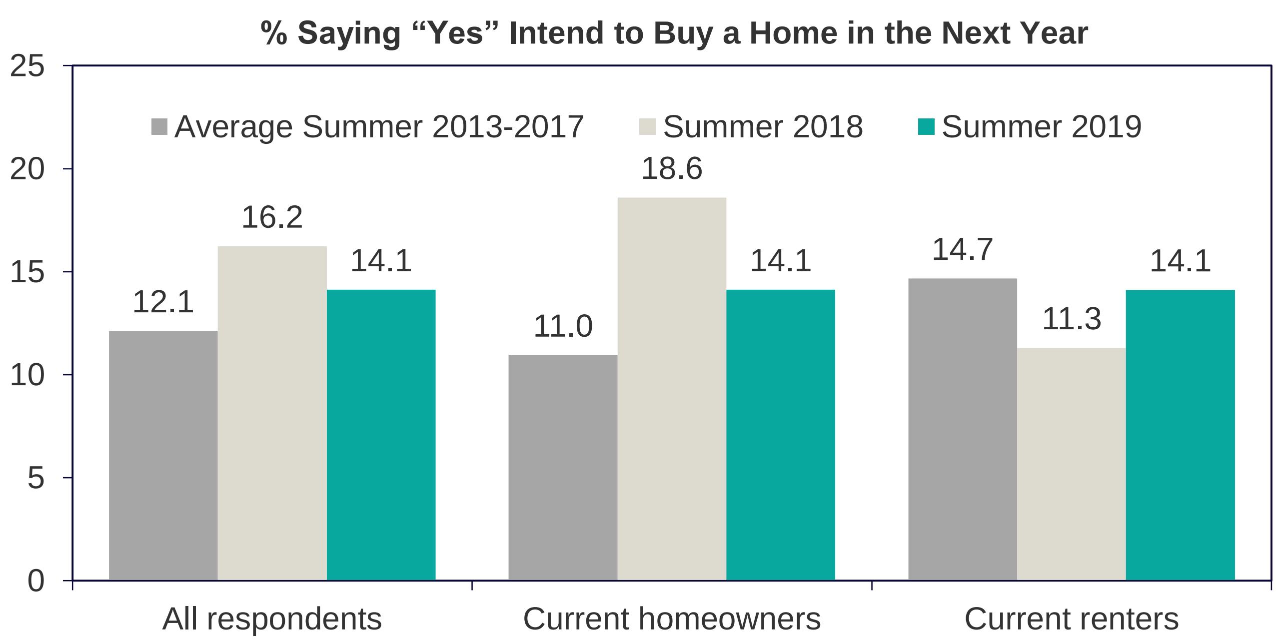
Canadian Mortgage Rates



Source: Altus Group and Bank of Canada data

** The average rate currently being paid by all mortgage customers, regardless of term or type or when arranged*

Vancouver Homebuying Intentions

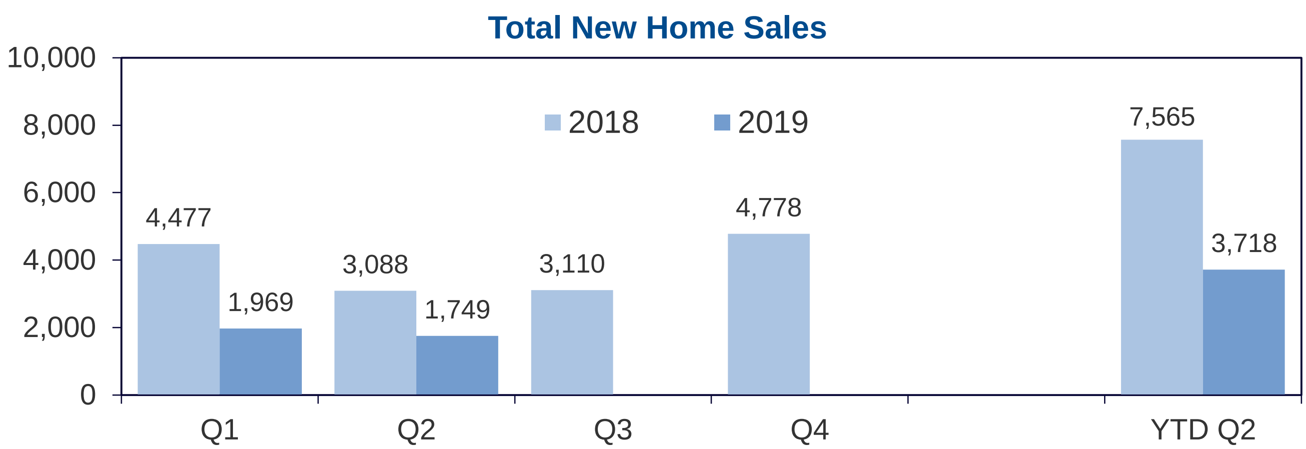


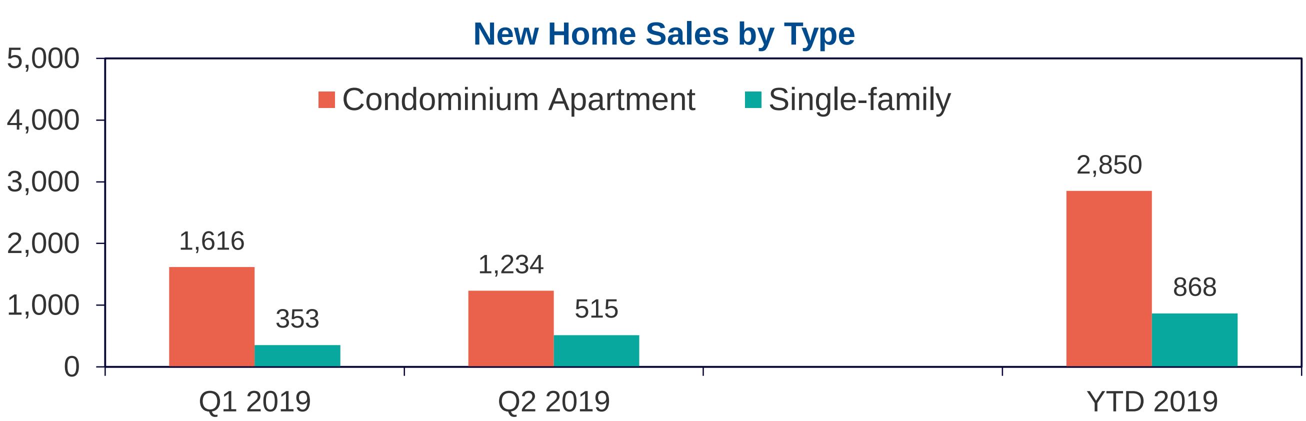
Source: Altus Group

New Home Market - Sales

- Total sales of new homes in the Vancouver Market Area fell again in Q2 2019, both on a quarter-to-quarter and year-over-year basis. **The 1,749 total sales represented the lowest quarter since Q4 2009.** Year-to-date, total sales are roughly half that of the first half of 2018.
- **New condominium apartment sales decreased from the already low total in the previous quarter.** New single-family sales were up modestly from Q1 2019, but below Q2 2018. New single-family sales for the first half of the year were the lowest first half yet recorded by Altus Group since our tracking started in 2007. *Note that Altus Group's coverage of new single-family sales only includes projects of 20 or more units.*
- **Total new home sales were down in most subareas in the first half of 2019** *(chart next page)* with the exception of Richmond. Burnaby/New Westminster/Tri-Cities accounted for almost two-thirds of the year-over-year unit decline. **Guildford was the most active submarket in the first half of 2019** in terms of total new home sales *(chart after next page),* while **Burnaby North took a breather** following very strong sales in 2018.

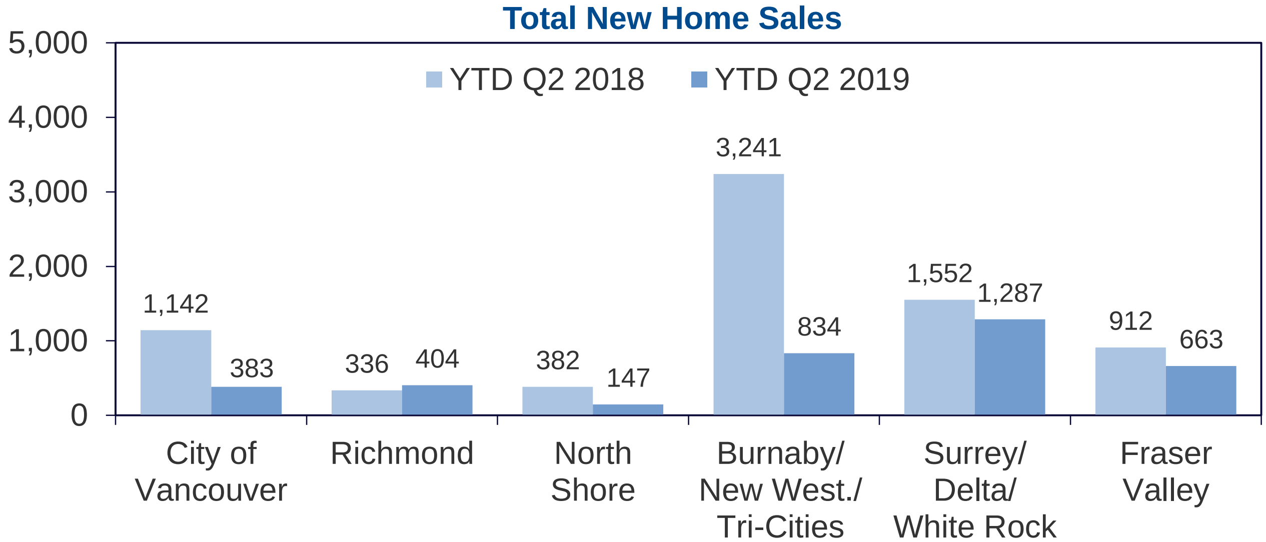
Vancouver New Home Sales

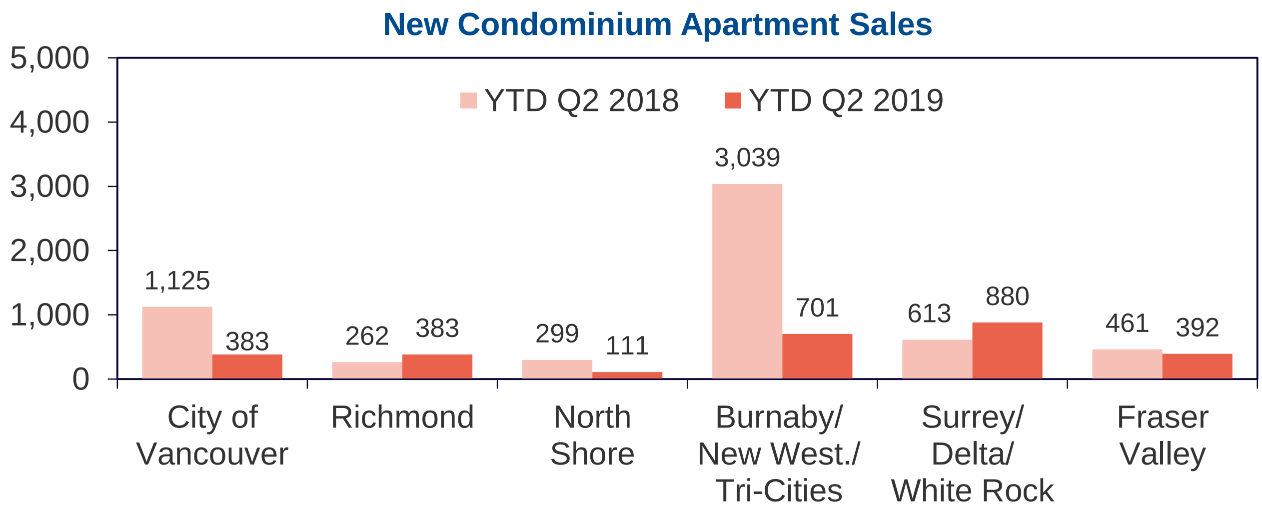


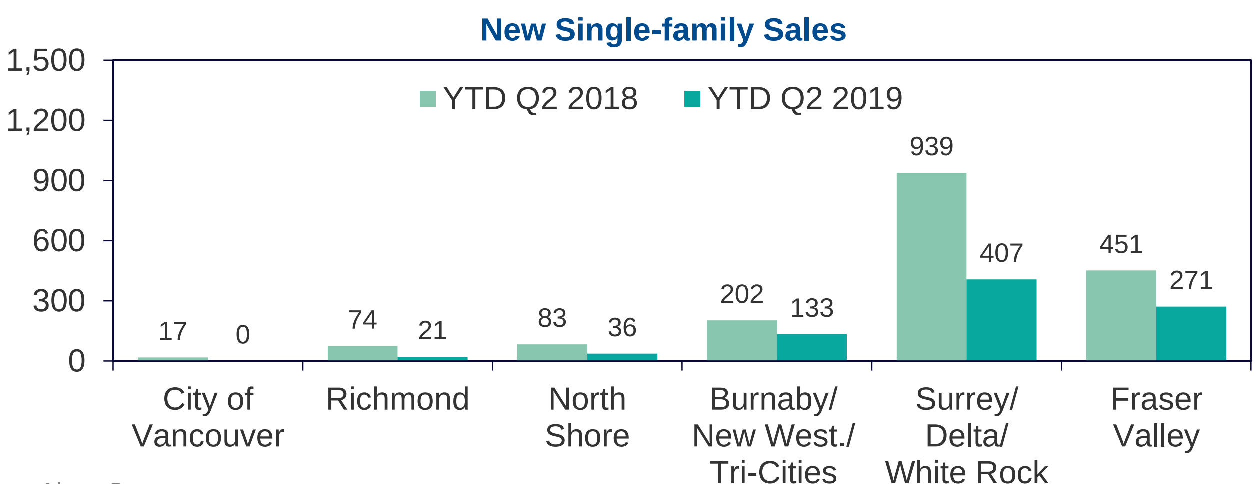


Source: Altus Group

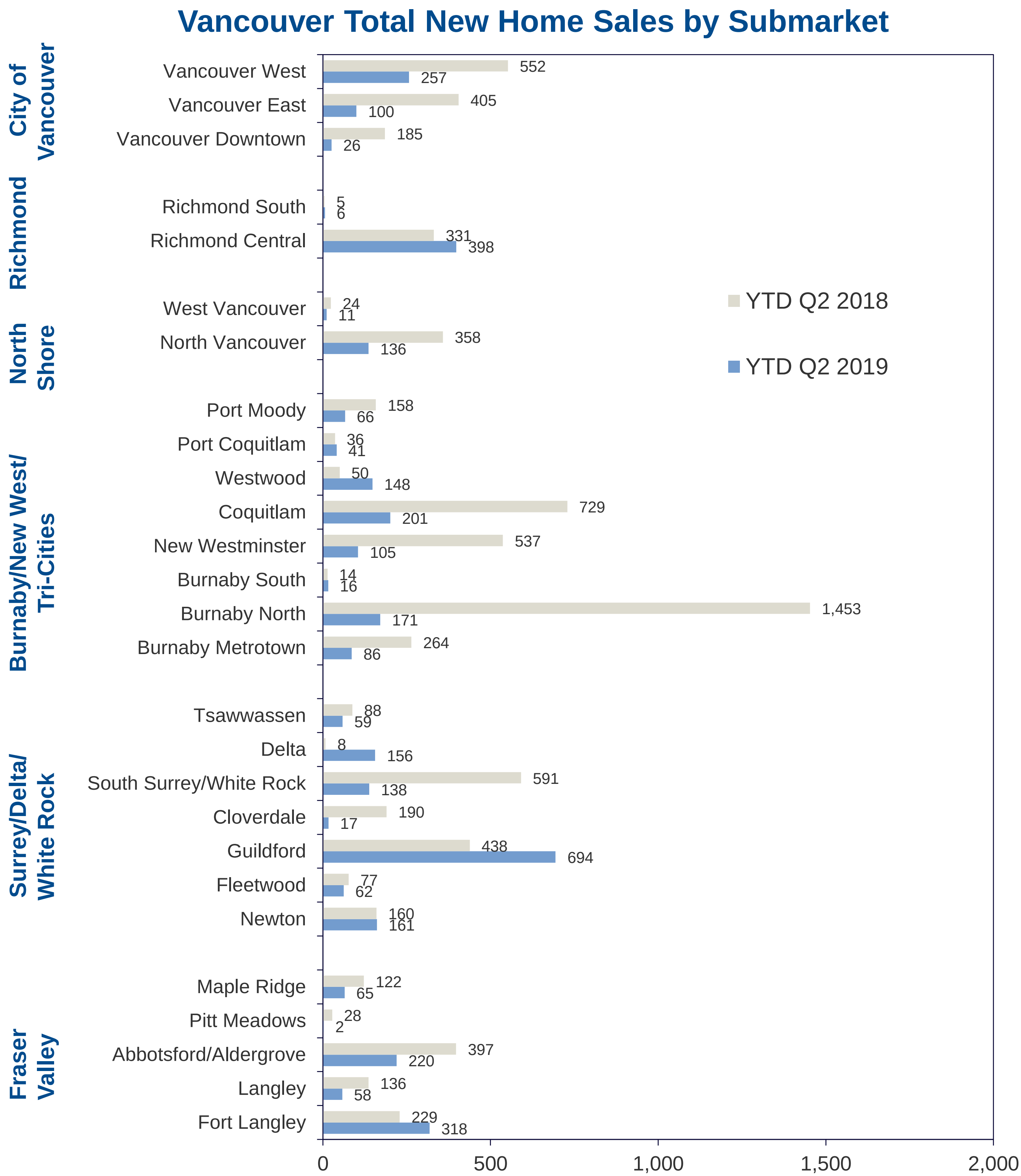
Vancouver New Home Sales by Subarea







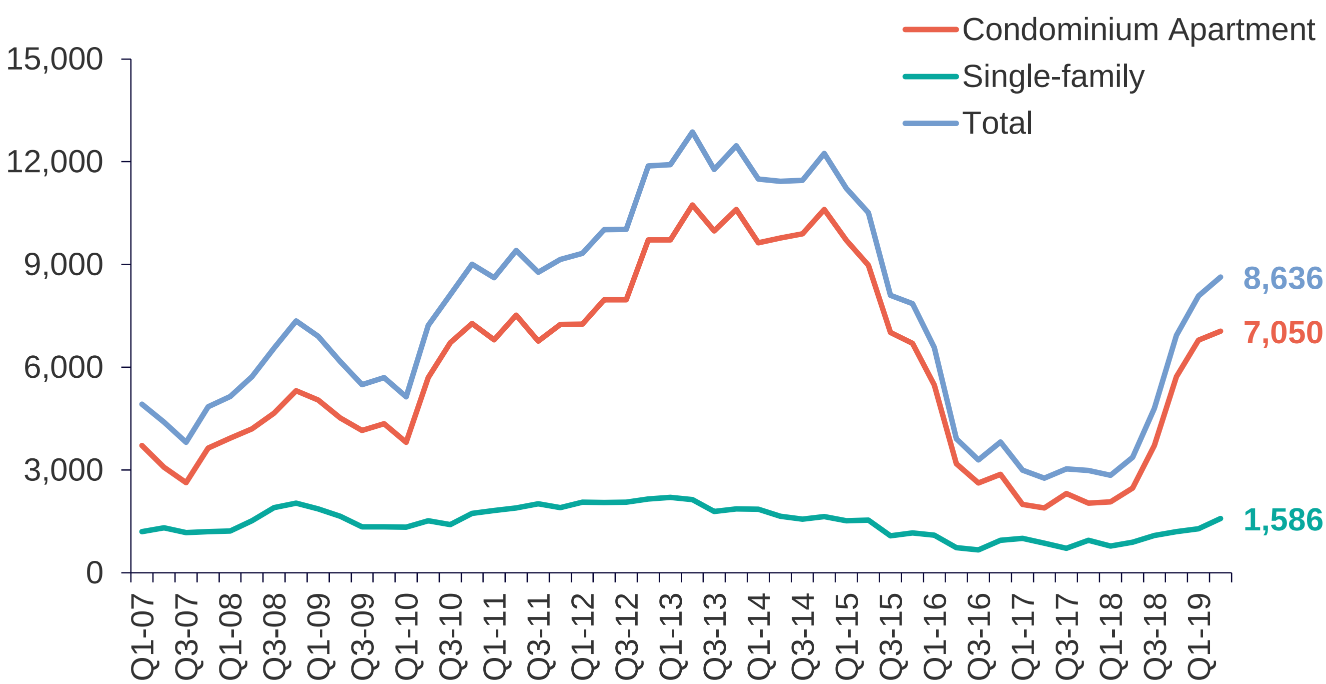
Source: Altus Group



Source: Altus Group

- **Total new home inventory available to purchase continued to grow in Q2 2019**, for both new condominium apartment and single-family product. While there were fewer new units launched, the number still outpaced the sluggish sales.
- There is currently just under **9 months of available new condominium apartment inventory**, based on the average monthly pace of sales over the preceding 12 months. While up markedly from the lows of 2 year ago, it is still below the average Q2 value of almost 11 months for the previous 10 years. However, it needs to be kept in mind that sales in the past 12 months were boosted by strong sales in the 2nd half of 2018 than in the 1st half of this year. In today's sales environment, the available inventory can be characterized as excessive.

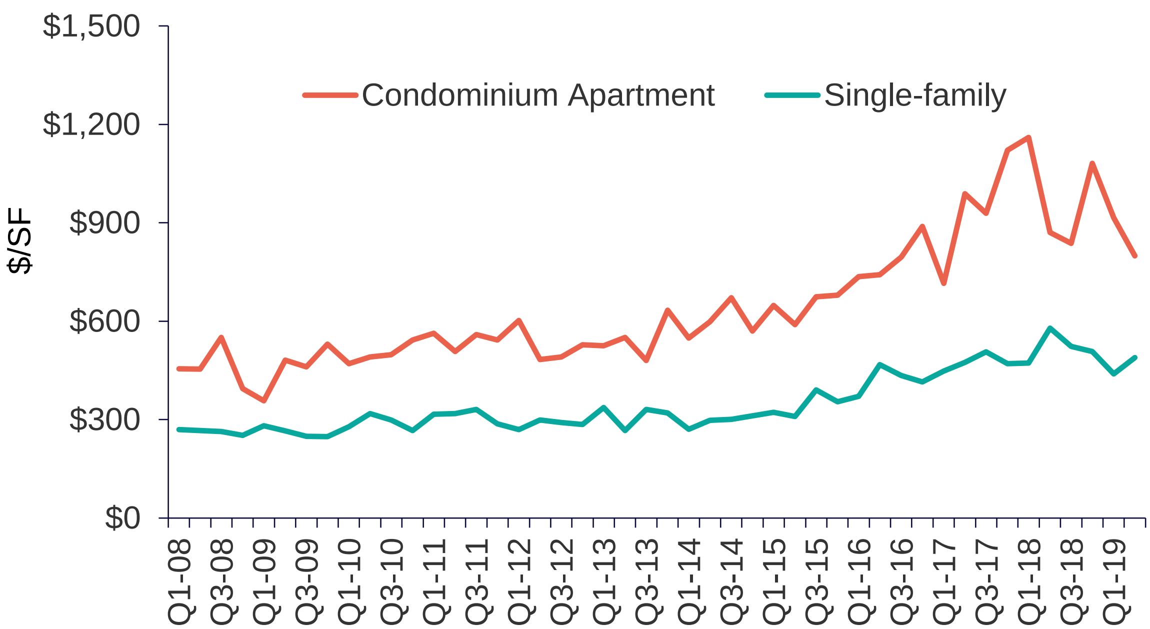
Vancouver New Home Inventory



Source: Altus Group

- Based on the average blended price per square foot at opening, **single-family new home prices increased slightly in Q2 2019,** after three consecutive quarters of decline, but are down 16% from a year earlier.
- **But average launch prices for new condominium apartments decreased again in Q2 2019,** for the second consecutive quarter. The average price per square foot for a new condominium apartment at opening in Q2 2019 was down 8% from a year earlier, and was 31% below peak in Q1 2018.
- Note that these prices do not reflect constant quality product, but rather options available to purchase in newly opened projects.
- The dwindling inventory of product available to purchase in recent years had contributed to rapid price increases (*see charts next page).* But **increases in inventories more recently have precipitated price moderations**, although changes in location of new product have also played a role, as discussed later on.

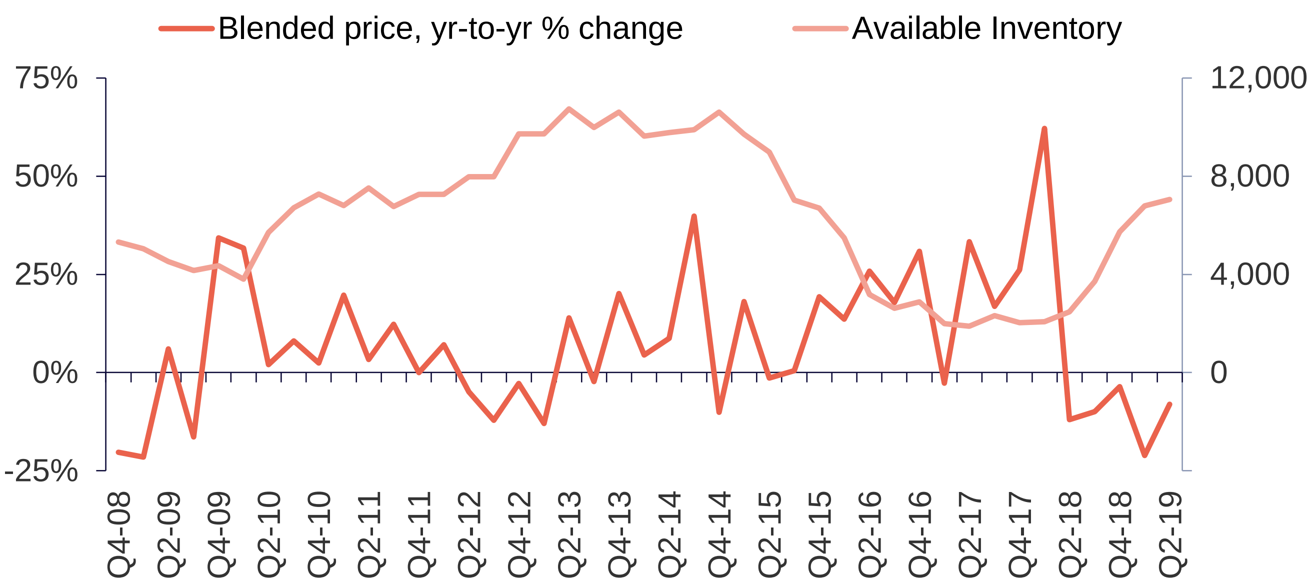
Vancouver New Home Blended Prices*



** See definitions page*

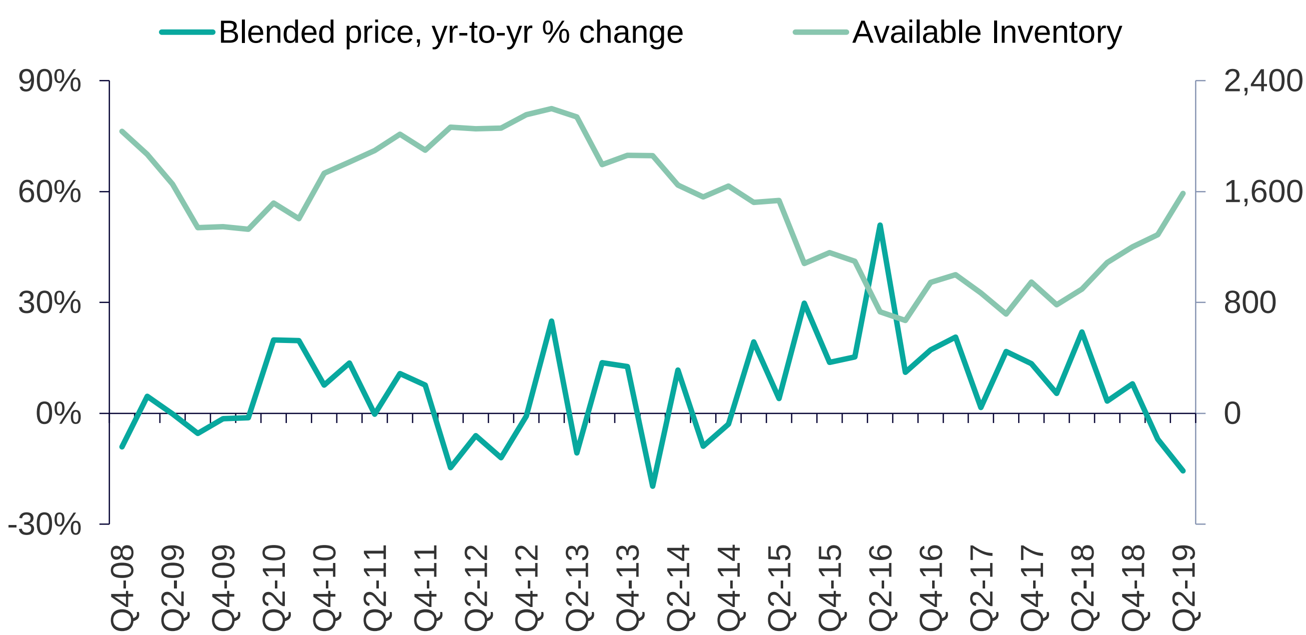
Source: Altus Group

Vancouver New Condominium Apartment Blended Price Changes by Opening Date and Available Inventory



Source: Altus Group

Vancouver New Single-family Blended Price Changes by Opening Date and Available Inventory



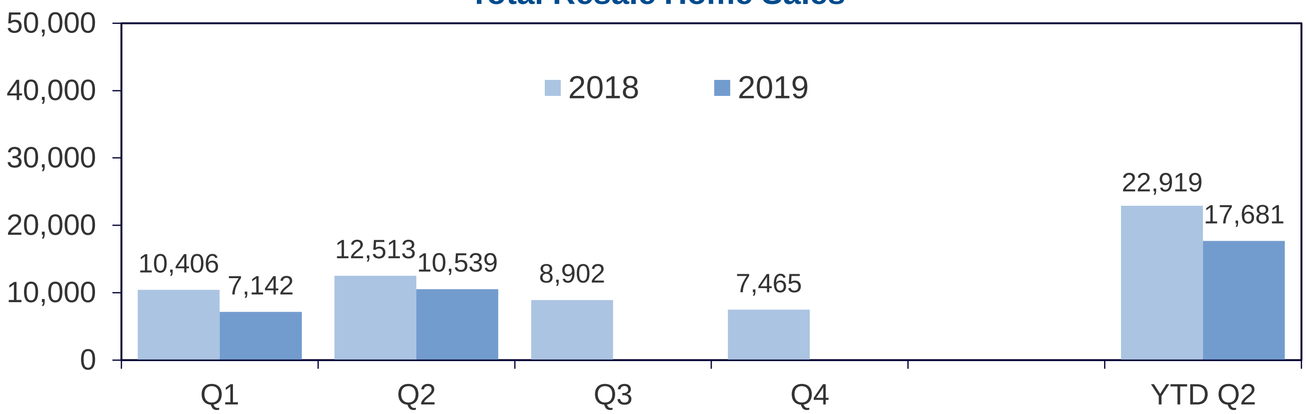
Source: Altus Group

Resale Home Market - Sales

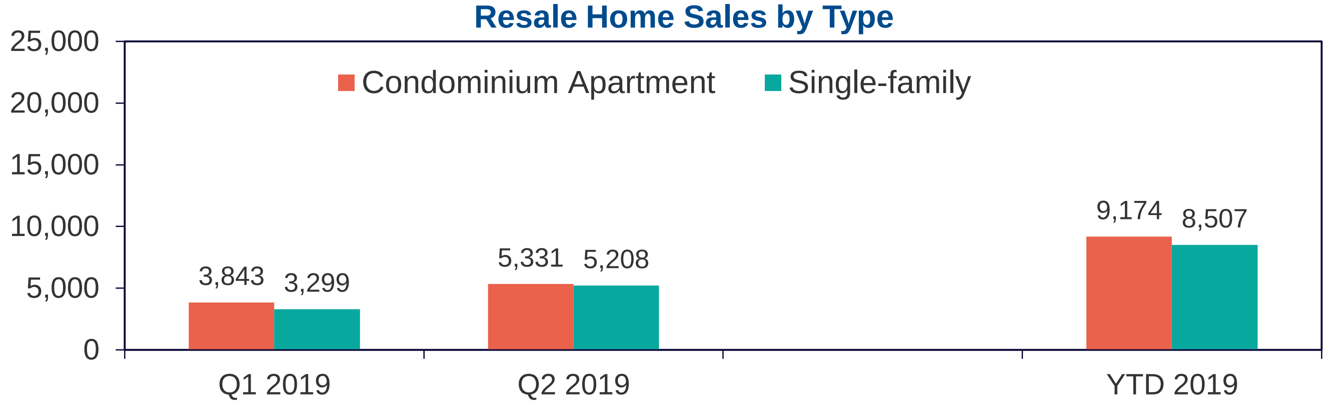
- **Total sales of existing homes** (as reported by The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board) **were down in Q2 2019** compared to Q2 2018. Both single-family and condominium apartment resales contributed to the decline.
- Total resale inventory (or "active listings") was up sharply for the end of Q2, with both single-family and condominium apartments contributing to the increase (*chart next page*). This elevated resale inventory is providing increasing competition to the new home market.
- **The benchmark price for a resale home in Q2 2019 was below a year ago, and down from Q1 2019** (*chart next page, bottom*), based on MLS® Home Price Index data produced by Altus Group on behalf of the local real estate boards. Resale prices for both single-family and condominium apartments were down for the fourth consecutive quarter from the record highs in the second quarter of 2018 - a function of higher inventory levels and slower sales.

Vancouver Resale Home Sales

Total Resale Home Sales

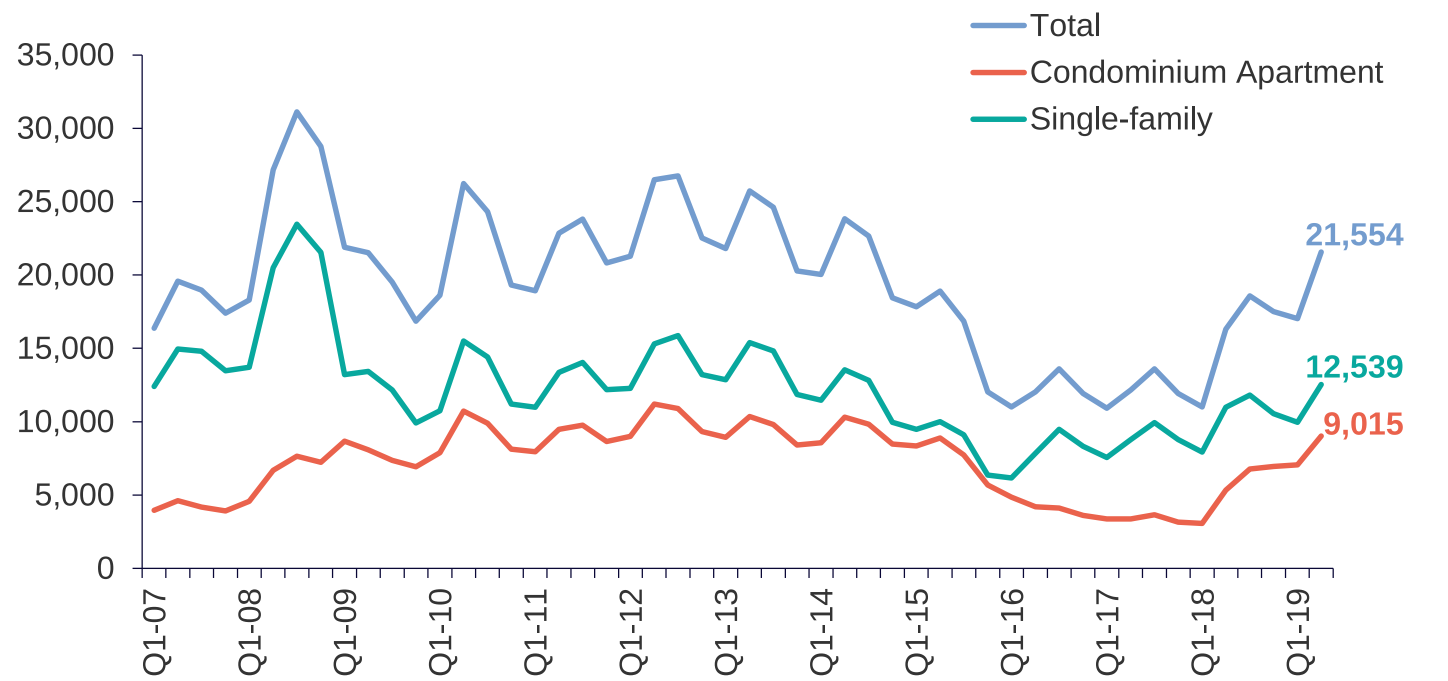


Resale Home Sales by Type



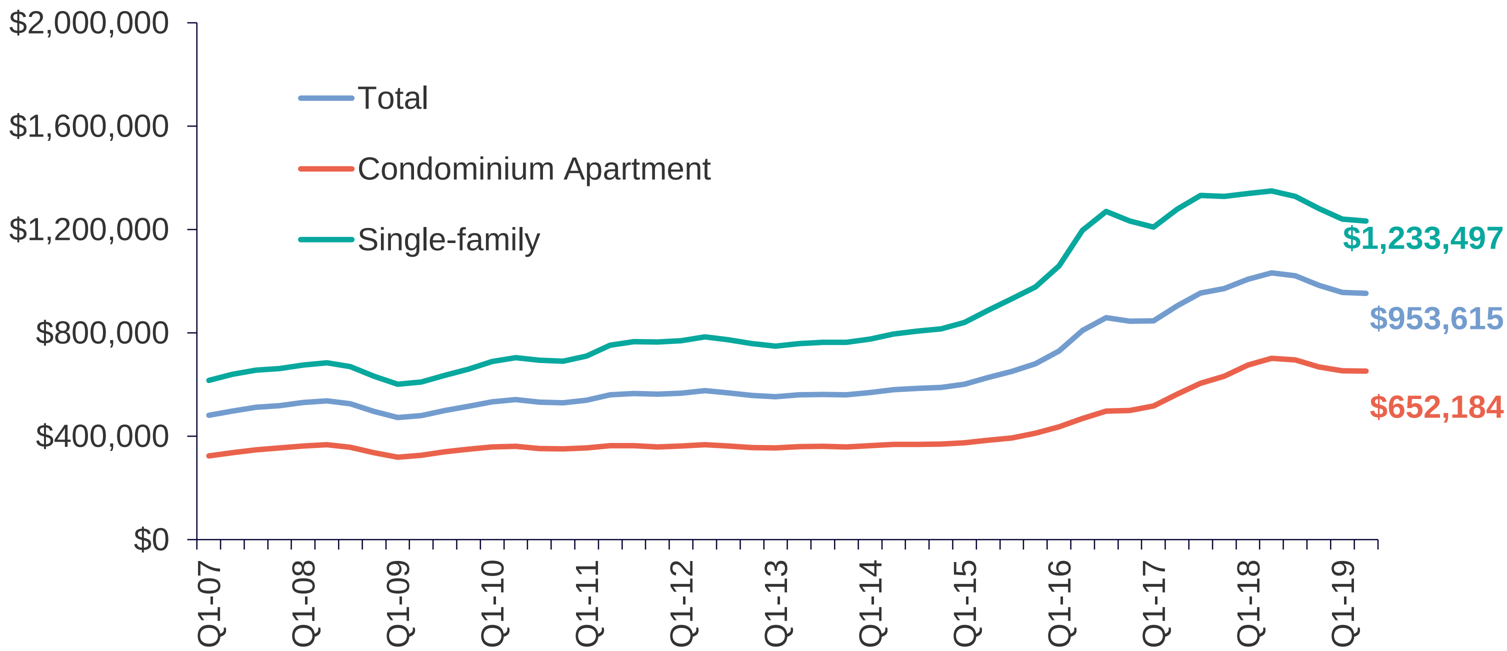
Source: Altus Group based on data from The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board

Vancouver Resale Home Inventory (“Active Listings”)



Source: Altus Group based on data from The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board

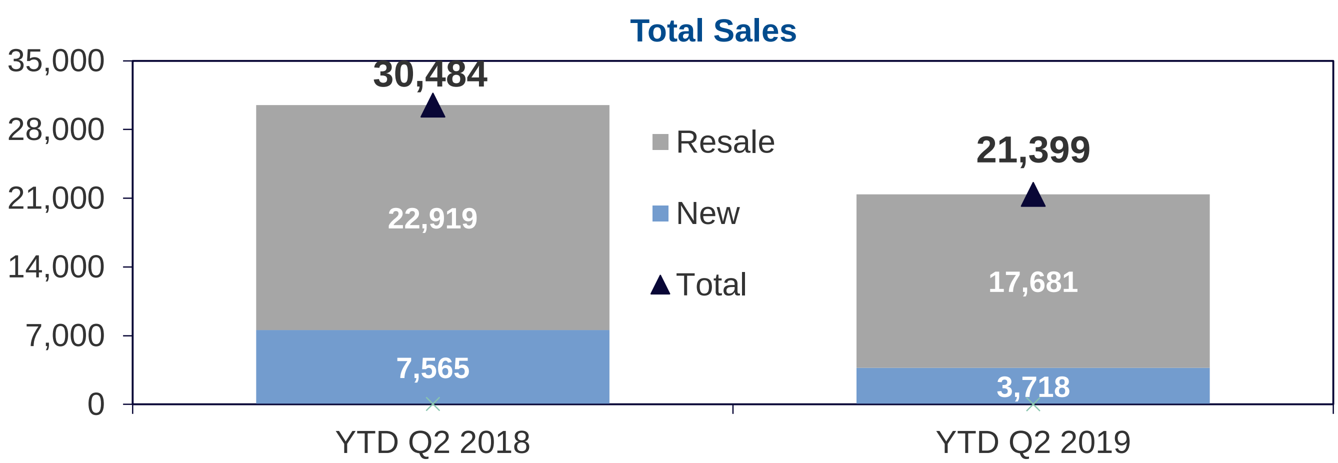
Vancouver Benchmark Resale Home Prices

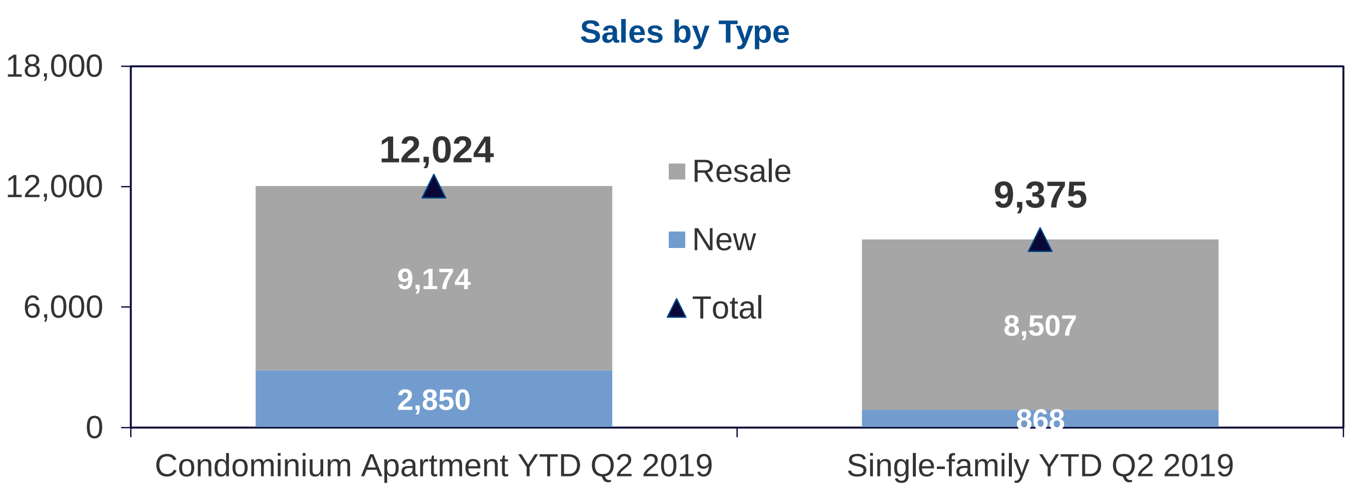


Source: Altus Group based on MLS® Home Price Index for the Lower Mainland

- **Combined resale and new home sales,** as measured by The Real Estate Board of Greater Vancouver, The Fraser Valley Real Estate Board and Altus Group, **totaled almost 21,400 units in the first half of 2019, down 30% from the first half of 2018**. Both the new and resale sectors contributed to the decline, although the relative drop has been more pronounced for the new home sector (-51% vs. -23%).
- **About 1 in 6 home sales year to date 2019 were new homes in projects of 20 or more units**. The ratios however are quite different for single-family homes, with new accounting for about 1 in 11 sales year to date in 2019, and condominium apartments, where about 1 out of 4 sales were new condos.

Vancouver Combined New & Resale Home Sales



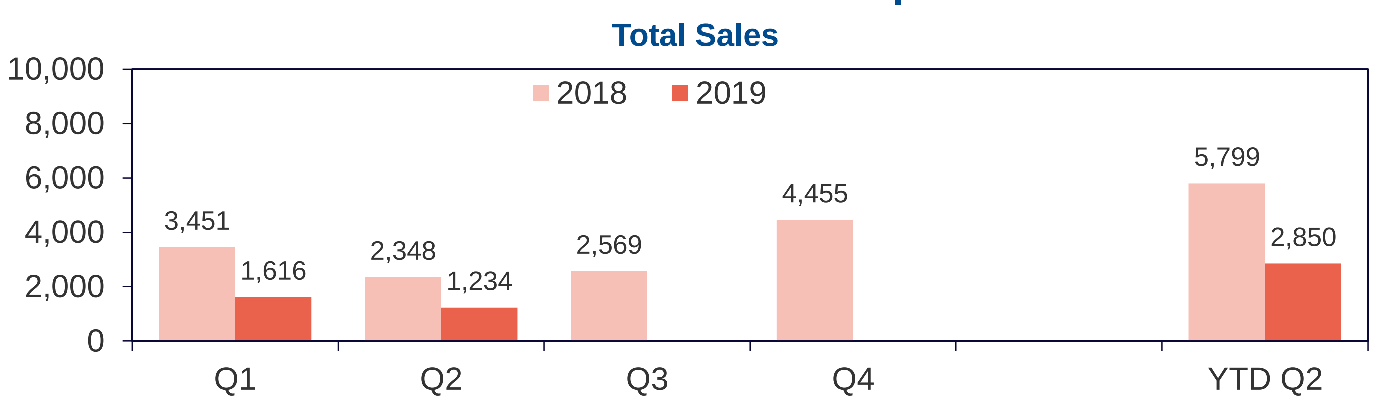


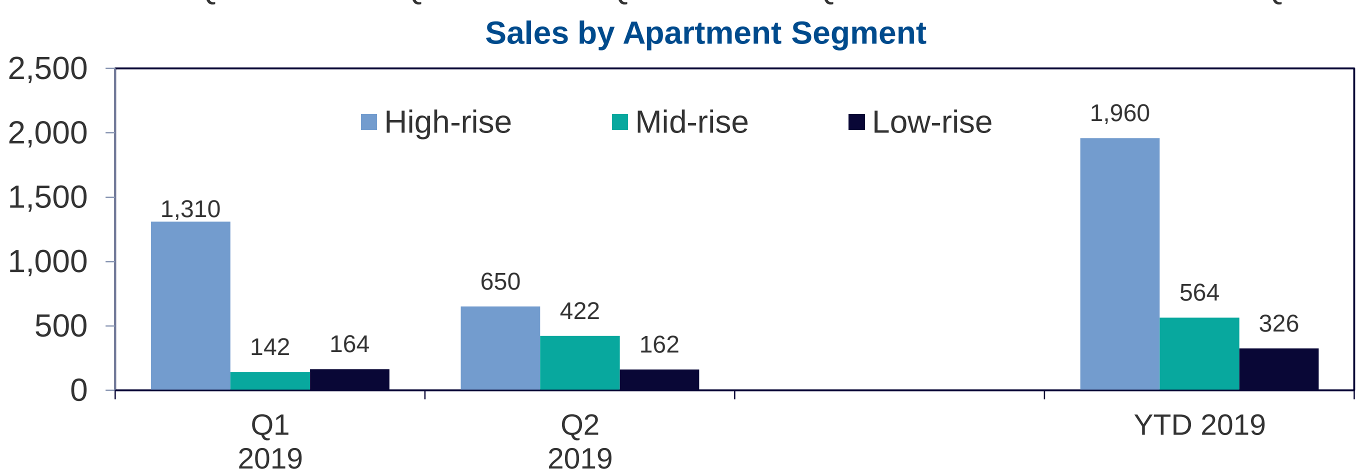
Source: Altus Group, The Real Estate Board of Greater Vancouver and The Fraser Valley Real Estate Board data

New Condominium Apartments - Sales

- **New condominium apartment sales in Q2 2019 were down 47% from a year earlier.** Sales were also down significantly compared to Q1 2019 (the typical seasonal pattern is an increase in Q2), and reached their lowest level since Q3 2011. There were fewer new launches in the quarter, which contributed to lower sales.
- **Softer sales mean that incentives are becoming more common**. Examples of recent incentives include: 10% deposits (limited time offer), free strata fees for life ("next 10 buyers"), free internet and TV for 1 year, and the equivalent of 6 months mortgage payments off the purchase price.
- **The decline in new condominium apartment sales was across all subareas in Q2 2019** (*chart next page*). Year to date, the Burnaby/New Westminster/Tri-Cities subarea and the City of Vancouver account for the bulk of the broader market slowdown in sales.
- Within the Burnaby/New Westminster/Tri-Cities subarea, Coquitlam, New Westminster, Burnaby North and Burnaby Metrotown all saw significant year-over-year declines (*chart on page after next page*). The Guildford submarket leads sales so far in 2019, and is responsible for the modest increase in year to date sales for the Surrey/Delta/White Rock subarea.

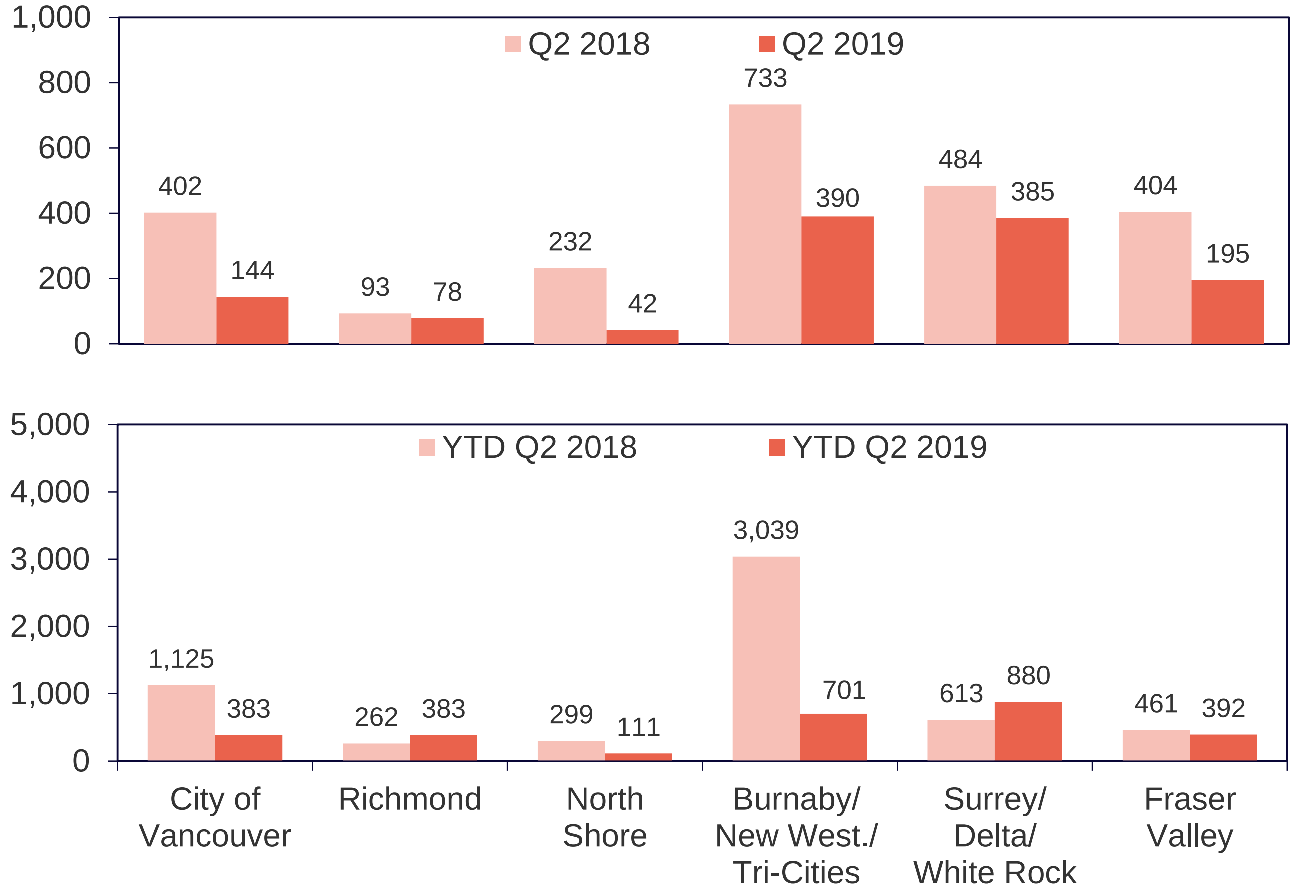
Vancouver New Condominium Apartment Sales

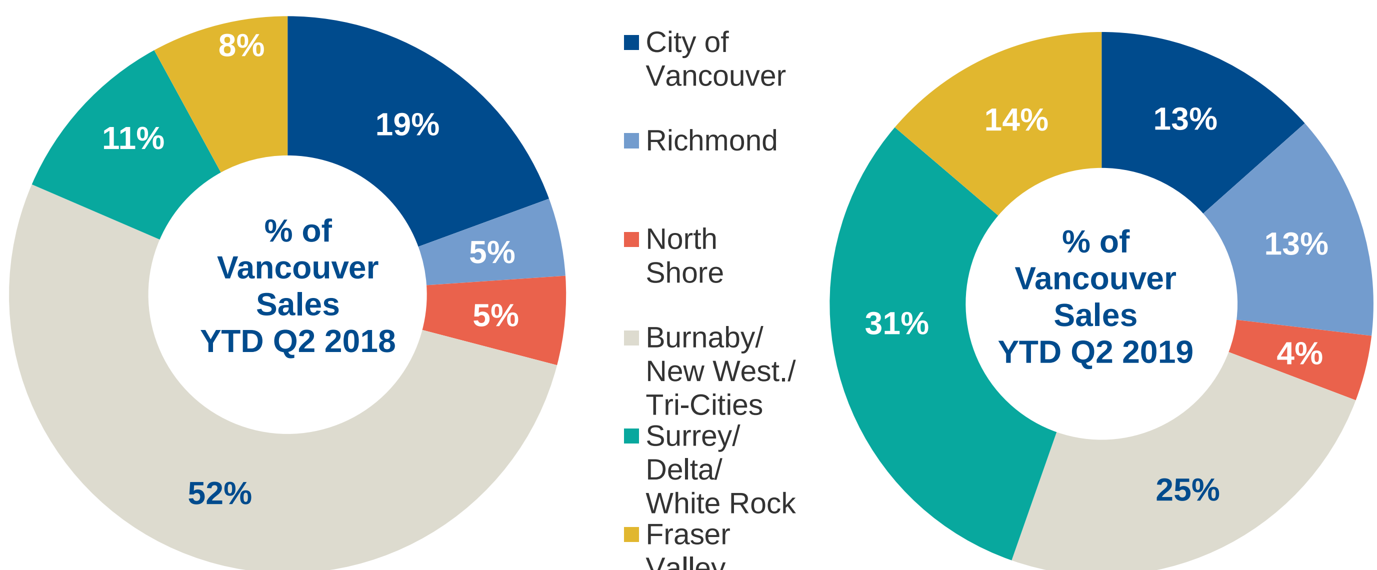




Source: Altus Group

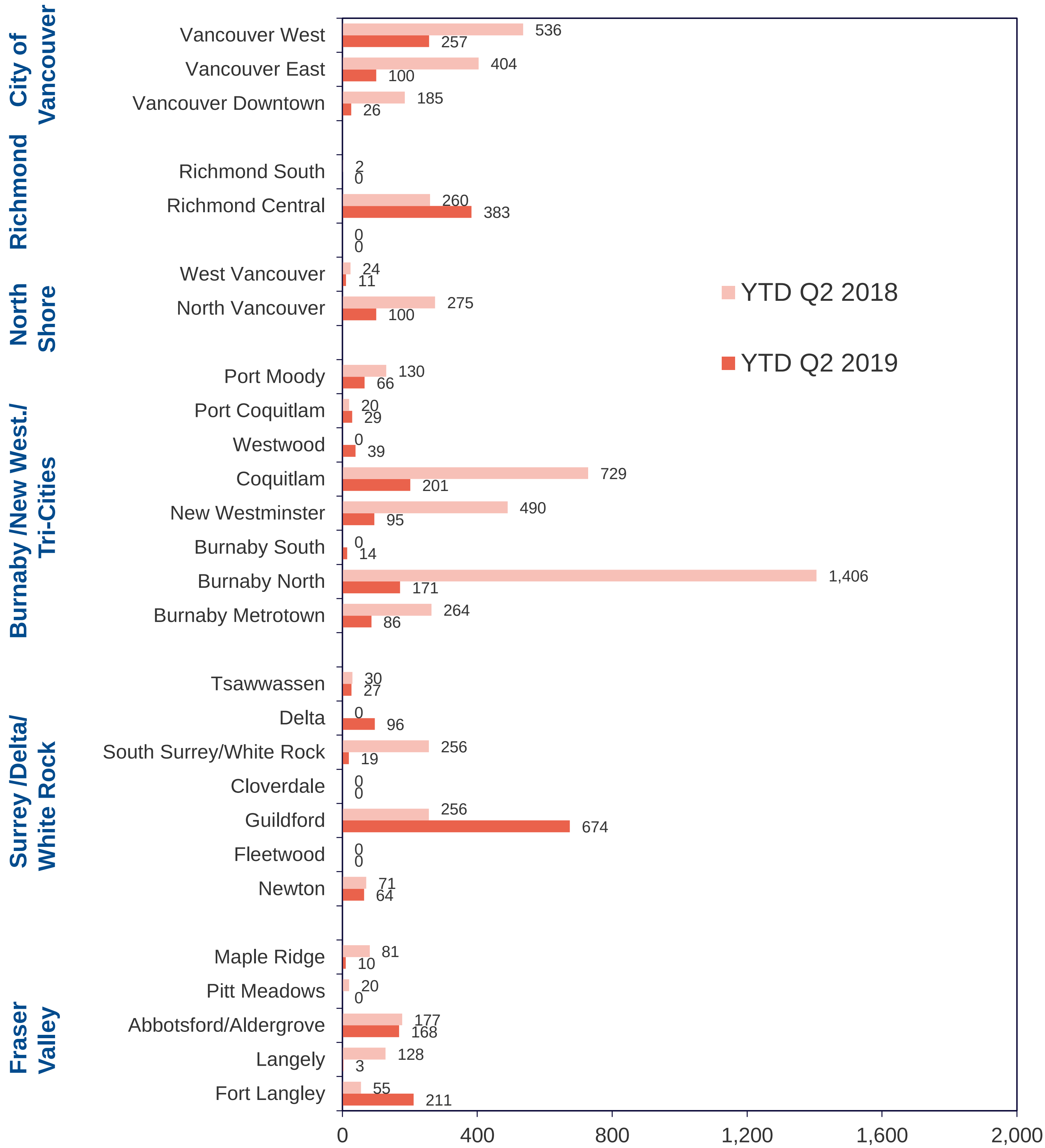
Vancouver New Condominium Apartment Sales by Subarea





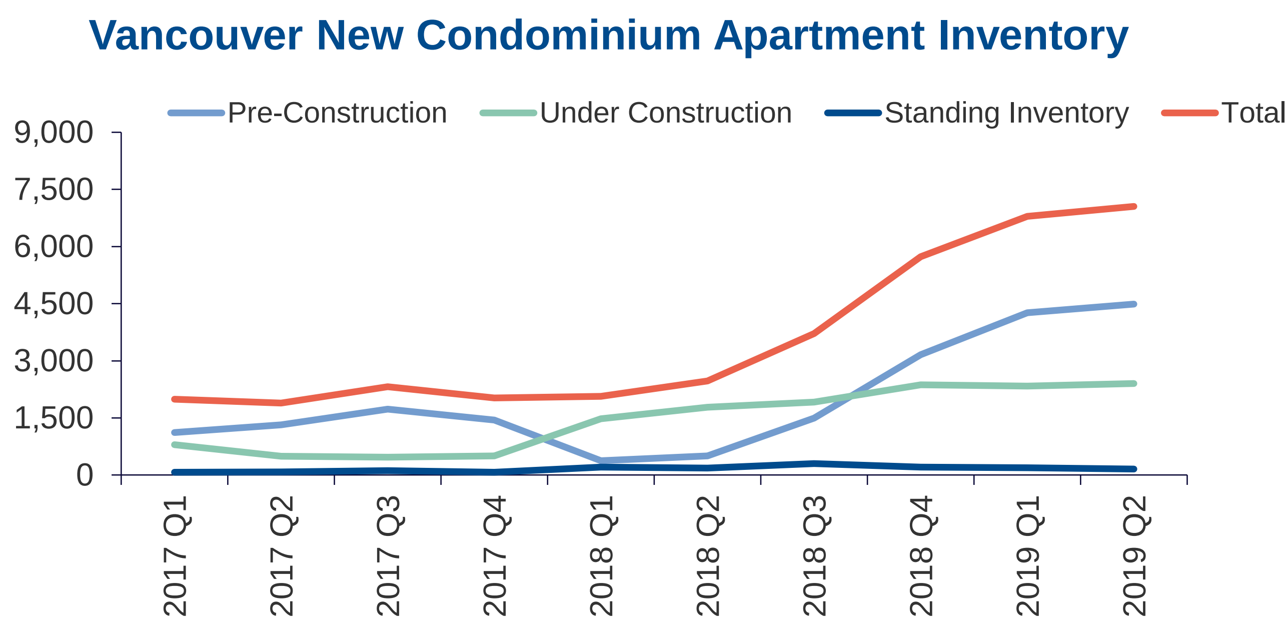
Source: Altus Group

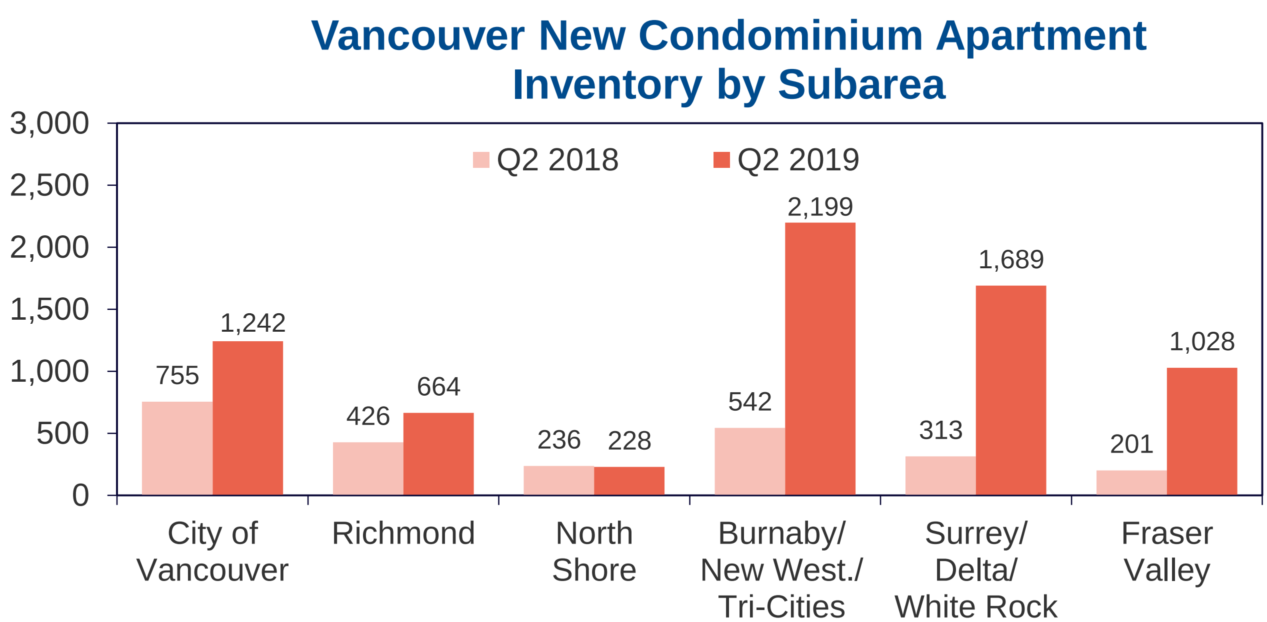
Vancouver New Condominium Apartment Sales by Submarket



Source: Altus Group

- **As discussed earlier, total new condominium apartment available inventory increased again** in Q2 2019.
- Almost two-thirds of the total inventory is in pre-construction projects, and most of the remainder is in projects under construction. **There are very few (160) units available to purchase in standing inventory** (i.e. units not yet sold in completed projects).
- All of the subareas had higher inventory levels at the end of Q2 2019 compared to a year earlier, with the exception of the North Shore, which was down marginally.

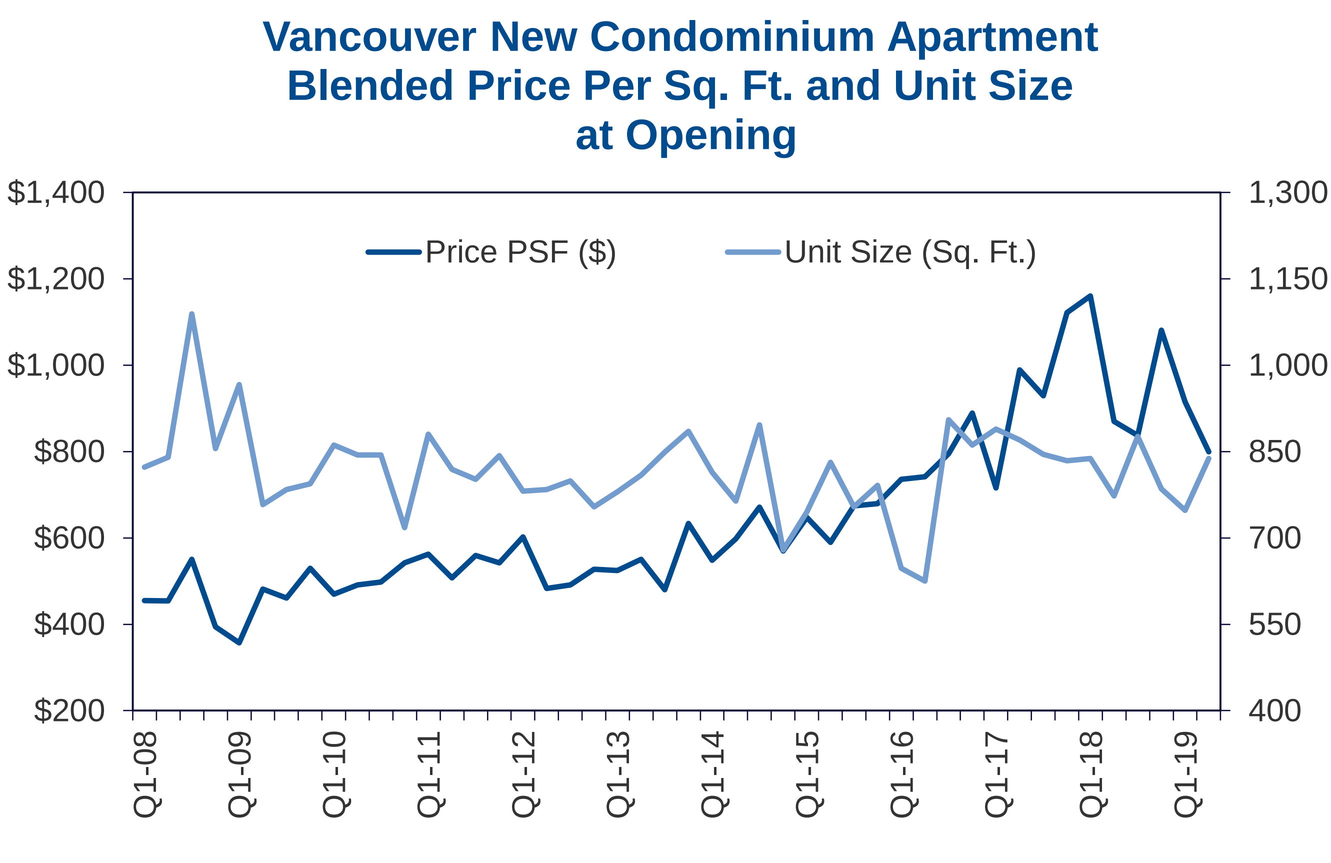




Source: Altus Group

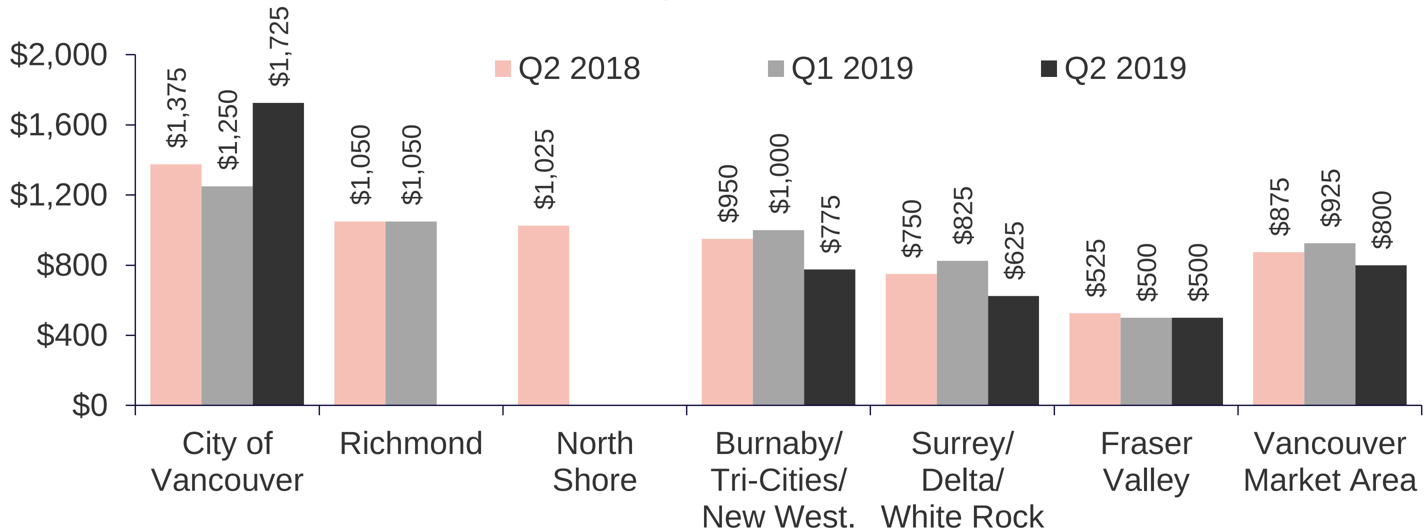
New Condominium Apartments - Prices

- The **price per square foot for available new condominium apartments at launch** *(see definitions page)* **was down again in Q2 2019, for the second consecutive quarter** and was 8% lower than last year.
- Caution needs to be used in interpreting the price per sq. ft. data, as smaller unit sizes on average have higher prices per sq. ft. Therefore, a decline in price per sq. ft. could reflect both “pure” price decreases on comparable product, as well as increases in average size of units launched - and, of course, location shifts. In Q2, the decline in price per sq. ft. was partially related to larger unit sizes – as the average unit size for new openings increased in Q2 2019. **The lower average price PSF in Q2 compared to Q1 2019 and Q2 2018 appears to also reflect some shift in aggregate in sales to the lower priced subareas** (*charts next page*).



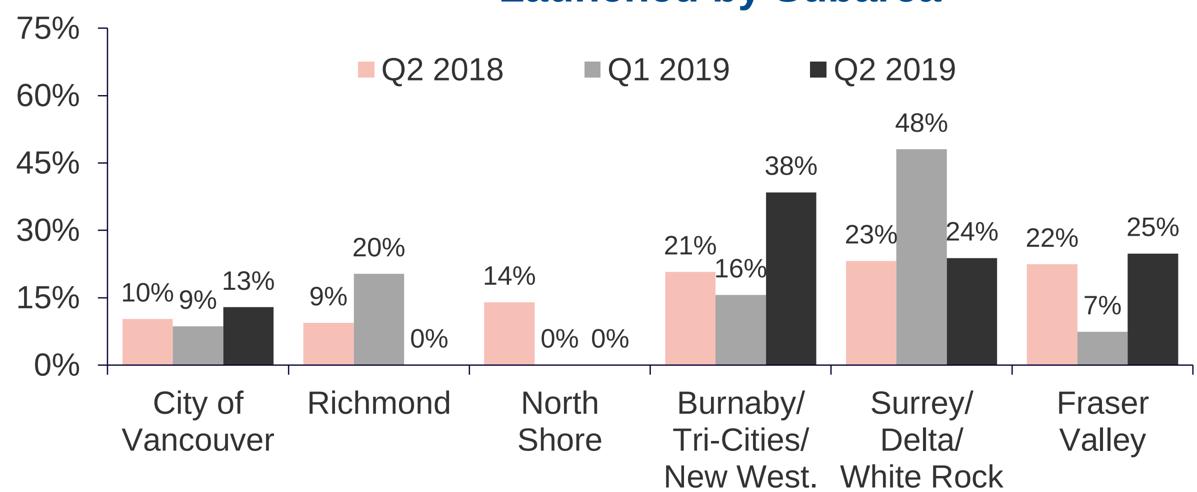
Source: Altus Group

New Condominium Apartment Launch $PSF* by Subarea



* Round to the nearest $25
Source: Altus Group

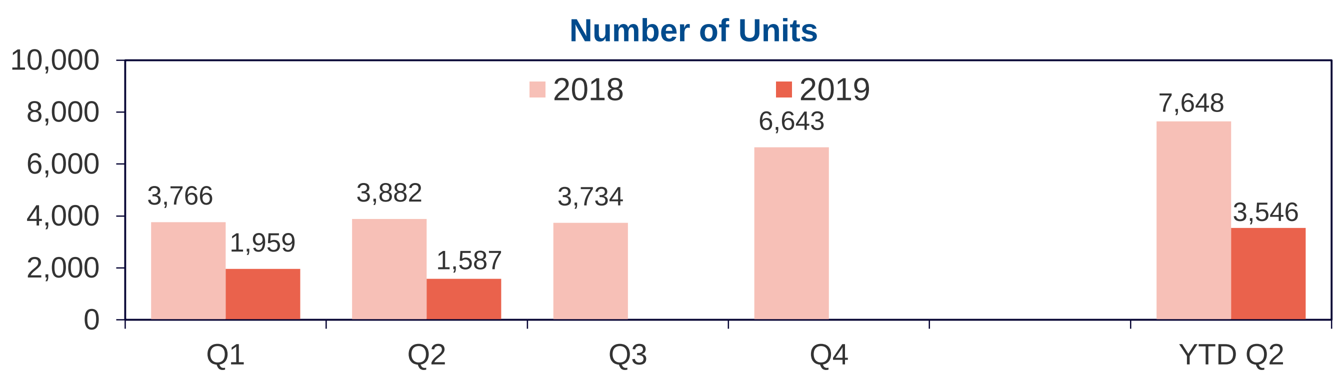
Units in New Condominium Apartment Projects Launched by Subarea

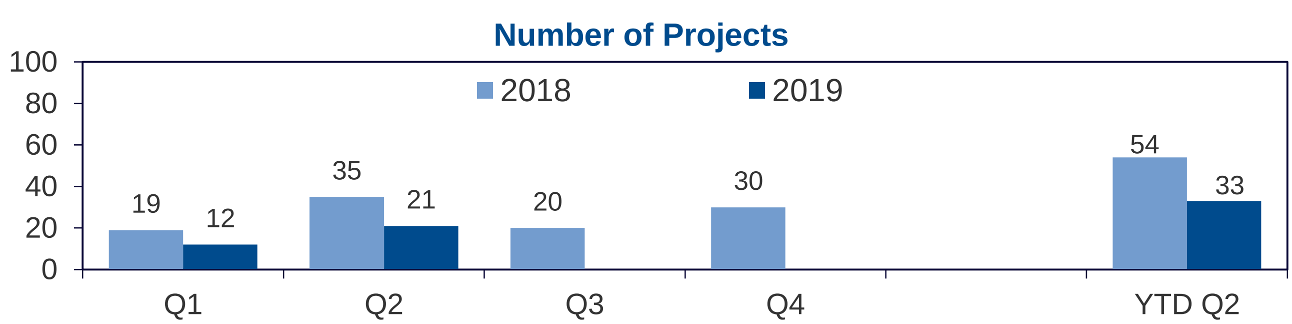


Source: Altus Group

- **There were 21 new condominium apartment projects opened in the Vancouver Market Area in Q2 2019.** The almost 1,600 units in the new projects opened was down 59% from a year earlier and 53% below the previous 10 year average. With launch dates for many "coming soon" projects monitored by Altus Group being moved back, we expect Q3 launches to remain muted. Openings by subarea and bedroom type are shown on the next page.
- **About one-third of released units in projects opened in Q2 were sold by the end of the quarter, similar to the proportion for Q1, but down from about two-thirds for projects launched in Q2 2018.** For projects opened earlier in the quarter (April and May), the absorbed proportion was actually lower, with only about 1 in 4 released units sold by the end of Q2; a few strong June launches raised the overall absorption proportion for the quarter's launches.
- Following the next page are maps showing the location of new projects launched in April, May and June, accompanied by summary tables with additional detail on each project. *Note that the unit type information coverage may vary; for some projects, it includes unreleased units, while for others it excludes unreleased units.*
- *Note: clicking on the "project record" link in the summary tables will take logged-in Altus Group RealNet Vancouver Residential New Homes module subscribers directly to the full on-line record for that project; as the on-line record becomes updated, specific data may be more up-to-date than information contained in the report here.*

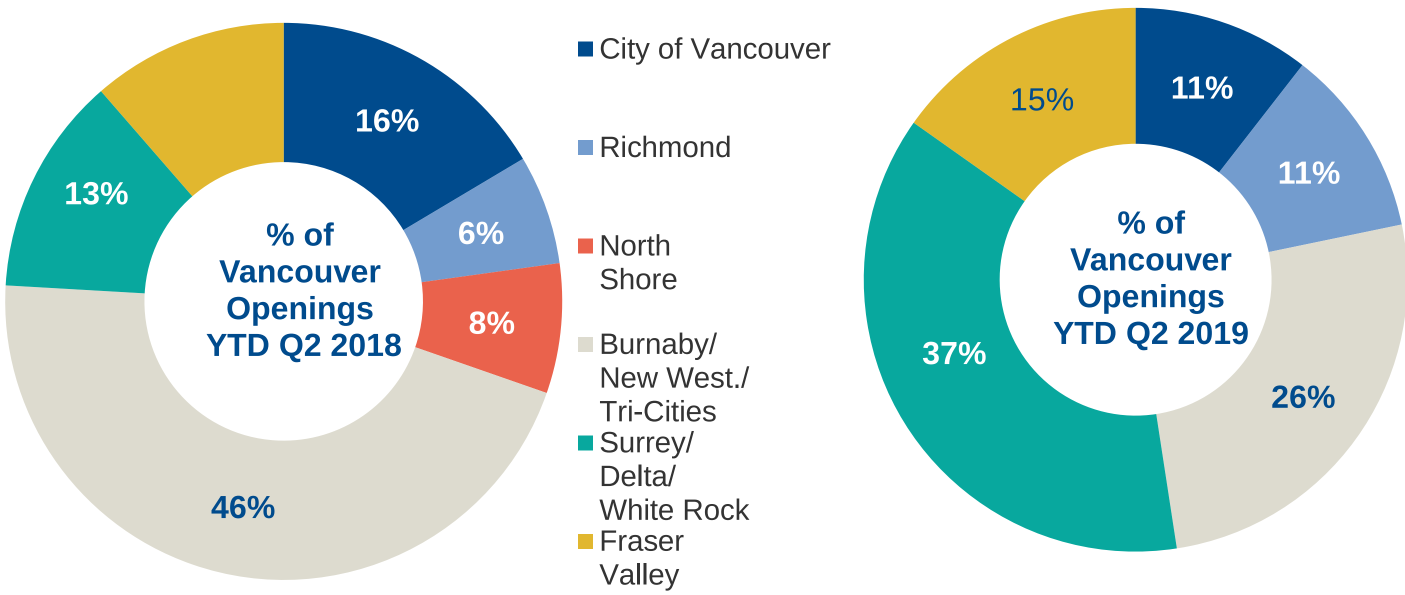
Vancouver New Condominium Apartment Project Openings



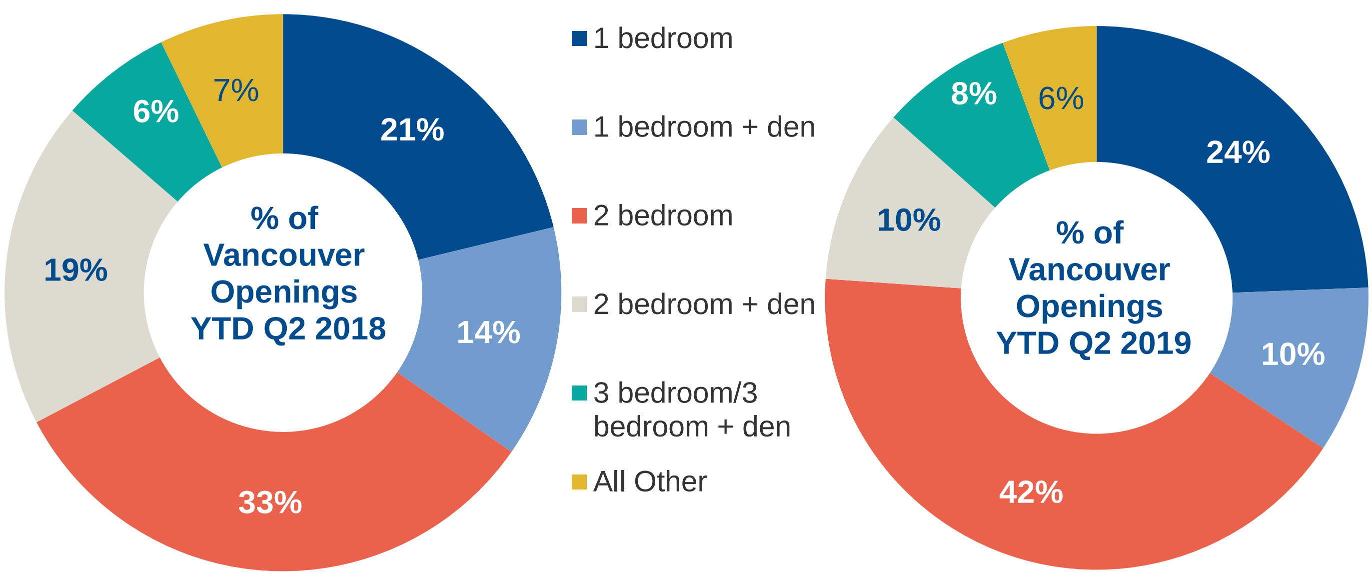


Source: Altus Group

Vancouver Condominium Apartment Units in New Openings by Subarea



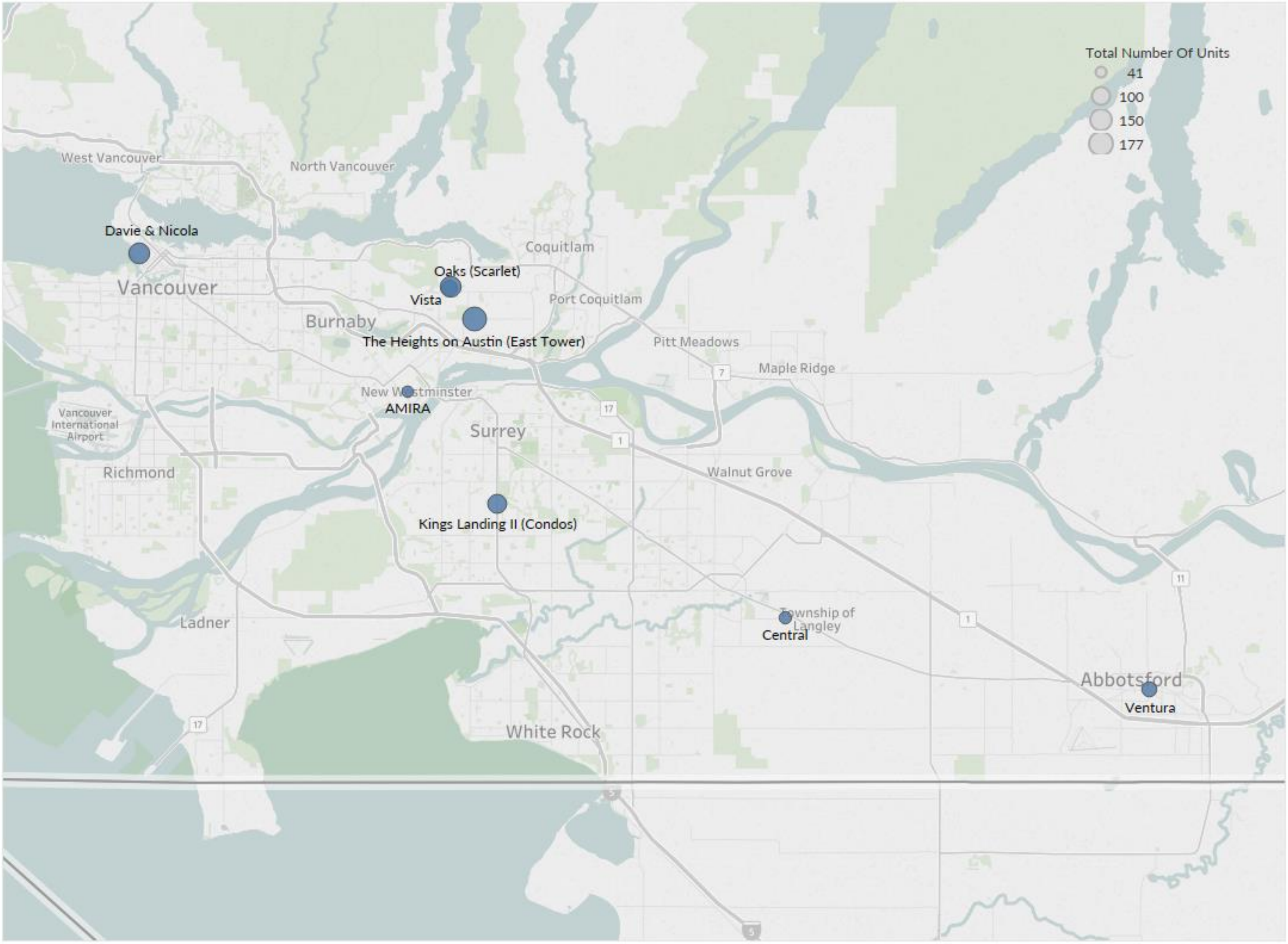
Vancouver Condominium Apartment Units in New Openings by Bedroom Type



Source: Altus Group

New Condominium Apartments - Openings

April 2019 New Project Launches by Number of Units



Source: Altus Group

Project Record	AMIRA	Central	Davie & Nicola	Kings Landing II (Condos)

New Condominium Apartment Project Openings - April 2019

Project Name	**AMIRA**	**Central**	**Davie & Nicola**	**Kings Landing II (Condos)**
Developer	Alpha Beta Developments Ltd	Zenterra Developments	Vivagrand Development Corporation	Dawson + Sawyer
Date Opened	2019-04-25	2019-04-06	2019-04-27	2019-04-27
Subarea	Burnaby / New Westminster / Tri-Cities	Fraser Valley	City of Vancouver	Surrey / Delta / White Rock
Submarket	New Westminster	Fort Langley	Vancouver Downtown	Guildford
Project Type	Mid Rise	Low Rise	High Rise	Mid Rise
Construction Type	Wood Frame	Wood Frame	Concrete	Wood Frame
Floors	6	4	21	6
Project Total Units	**41**	**48**	**128**	**112**
Total Units Released	**20**	**48**	**125**	**112**
Unit Type (see note in text)				
Studio	1	-	-	-
1 bedroom	11	9	40	7
1 bedroom + den	-	4	-	42
2 bedroom	23	35	49	16
2 bedroom + den	-	-	27	17
3 bedroom & up	6	-	6	30
Penthouse	-	-	3	-
Other	-	-	3	-
Opening quarter sales	**11**	**10**	**15**	**44**
% Sold (of released units)	*55%*	*21%*	*12%*	*39%*
Remaining inventory	9	38	110	68
Blended $PSF	$685	$570	$2,020	$645
Minimum Size (sq. ft.)	460	545	471	553
Maximum Size (sq. ft.)	1,014	982	1,700	987
Minimum Price	$344,900	$359,990	$789,900	$339,900
Maximum Price	$719,900	$599,990	$4,500,000	$619,900
Notes			Townhouse units are included in Other	

Source: Altus Group

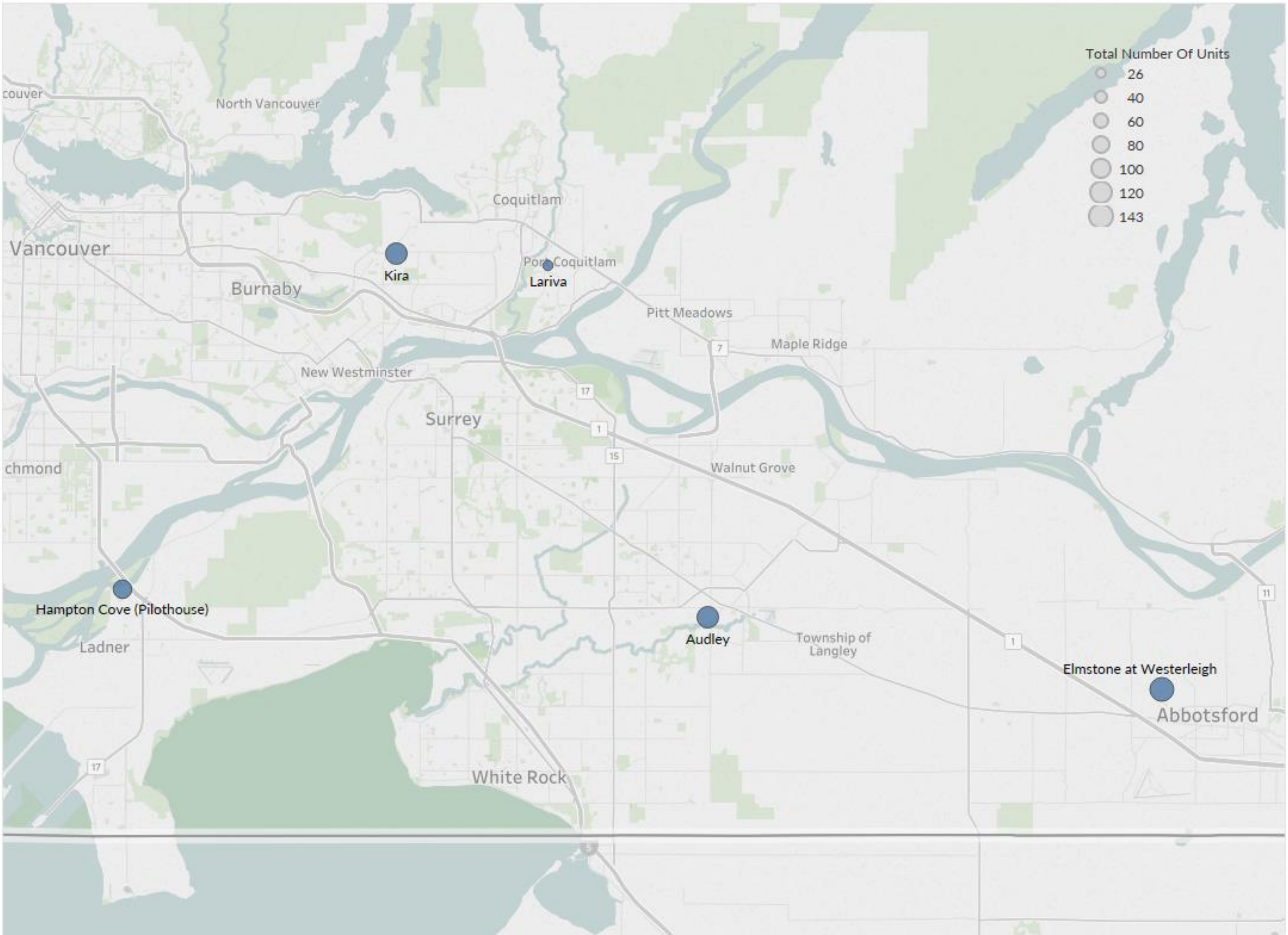
Project Record Oaks (Scarlet) The Heights on Austin (East Tower) Ventura Vista

New Condominium Apartment Project Openings - April 2019 (continued)

Project Name	Oaks (Scarlet)	The Heights on Austin (East Tower)	Ventura	Vista
Developer	Strand Development	The Beedie Group	RDC Group	Dolomiti Homes
Date Opened	2019-04-13	2019-04-13	2019-04-27	2019-04-06
Subarea	Burnaby / New Westminster / Tri-Cities	Burnaby / New Westminster / Tri-Cities	Fraser Valley	Burnaby / New Westminster / Tri-Cities
Submarket	Coquitlam	Coquitlam	Aldergrove / Abbotsford	Coquitlam
Project Type	Mid Rise	High Rise	Mid Rise	Mid Rise
Construction Type	Wood Frame	Concrete	Wood Frame	Wood Frame
Floors	6	25	6	6
Project Total Units	**135**	**177**	**70**	**76**
Total Units Released	**135**	**175**	**70**	**76**
Unit Type (see note in text)				
Studio	-	-	-	-
1 bedroom	19	80	3	35
1 bedroom + den	20	-	11	-
2 bedroom	44	64	34	23
2 bedroom + den	22	-	21	8
3 bedroom & up	30	28	1	10
Penthouse	-	-	-	-
Other	-	5	-	-
Opening quarter sales	**33**	**53**	**32**	**36**
% Sold (of released units)	*24%*	*30%*	*46%*	*47%*
Remaining inventory	102	122	38	40
Blended $PSF	$780	$875	$535	$745
Minimum Size (sq. ft.)	486	482	571	464
Maximum Size (sq. ft.)	1,060	1,292	1,039	1,043
Minimum Price	$434,900	$431,900	$289,900	$399,900
Maximum Price	$929,900	$999,900	$569,900	$729,900
Notes		Townhouse units are included in Other		

Source: Altus Group

May 2019 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

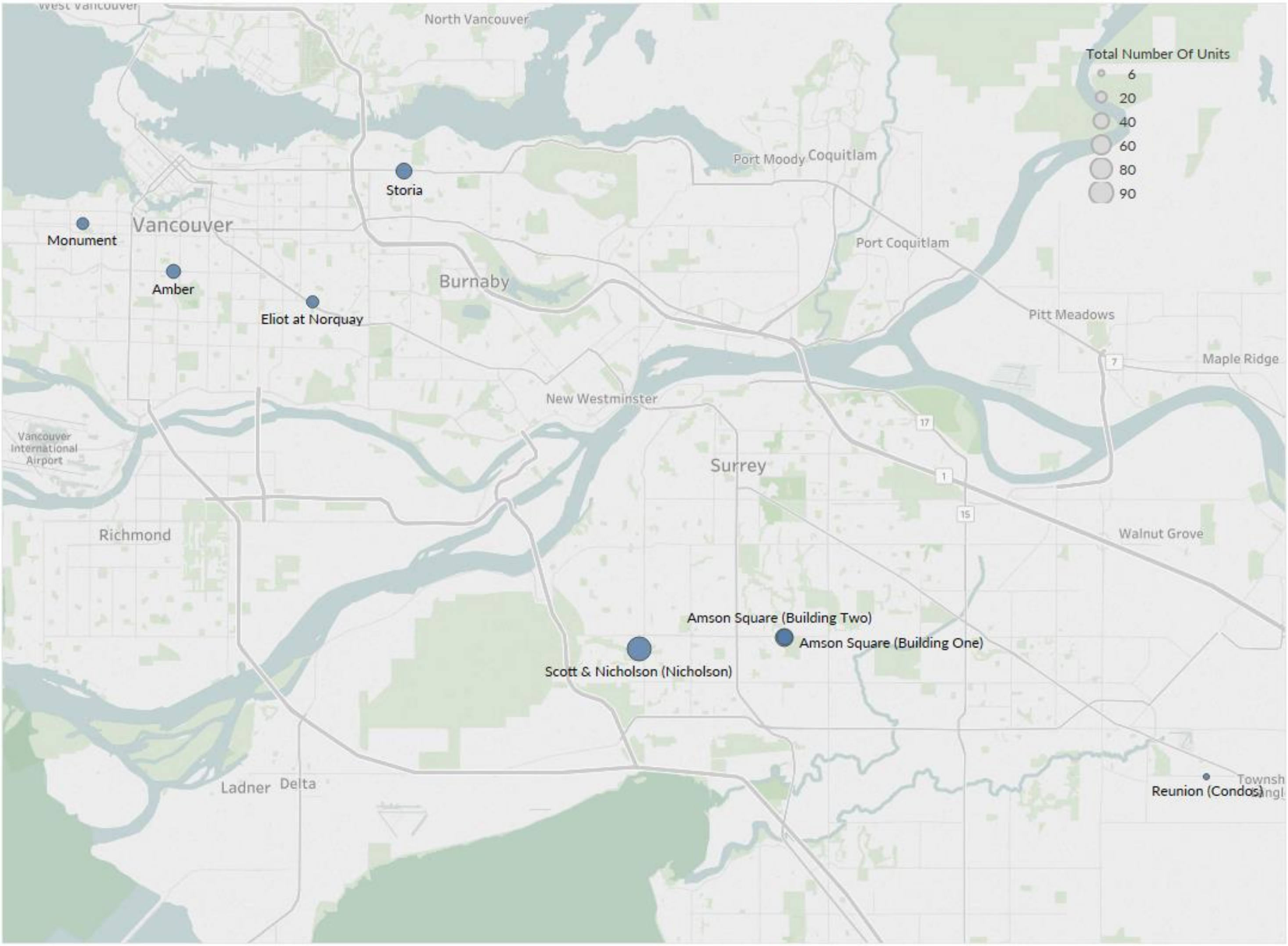
Project Record	Audley	Elmstone at Westerleigh	Hampton Cove (Pilothouse)	Kira	Lariva

New Condominium Apartment Project Openings - May 2019

Project Name	Audley	Elmstone at Westerleigh	Hampton Cove (Pilothouse)	Kira	Lariva
Developer	Oaken Developments	Polygon Homes	Polygon Homes	Woodbridge Homes	Atti Group
Date Opened	2019-05-01	2019-05-25	2019-05-18	2019-05-04	2019-05-25
Subarea	Fraser Valley	Fraser Valley	Surrey / Delta / White Rock	Burnaby / New Westminster / Tri-Cities	Burnaby / New Westminster / Tri-Cities
Submarket	Langley	Aldergrove / Abbotsford	Delta	Coquitlam	Port Coquitlam
Project Type	Low Rise	Low Rise	Low Rise	Mid Rise	Low Rise
Construction Type	Wood Frame	Wood Frame	Wood Frame	Wood Frame	Wood Frame
Floors	4	4	3	6	4
Project Total Units	**127**	**143**	**87**	**116**	**26**
Total Units Released	**127**	**143**	**87**	**60**	**26**
Unit Type (see note in text)					
Studio	-	-	-	-	2
1 bedroom	1	14	-	8	5
1 bedroom + den	-	-	5	4	9
2 bedroom	94	126	61	22	3
2 bedroom + den	16	3	15	10	7
3 bedroom & up	16	-	6	16	-
Penthouse	-	-	-	-	-
Other	-	-	-	-	-
Opening quarter sales	**3**	**42**	**17**	**37**	**1**
% Sold (of released units)	*2%*	*29%*	*20%*	*62%*	*4%*
Remaining inventory	124	101	70	23	25
Blended $PSF	$540	$425	$645	$750	$645
Minimum Size (sq. ft.)	718	590	755	531	458
Maximum Size (sq. ft.)	1,226	1,035	1,565	1,108	934
Minimum Price	$399,900	$269,900	$588,000	$464,900	$339,900
Maximum Price	$639,900	$399,900	$1,008,000	$744,900	$534,900
Notes				Unit breakdown for unreleased units not available	

Source: Altus Group

June 2019 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

Project Record | Amber | Amson Square (Building One) | Amson Square (Building Two) | Eliot at Norquay

New Condominium Apartment Project Openings - June 2019

Project Name	Amber	Amson Square (Building One)	Amson Square (Building Two)	Eliot at Norquay
Developer	Aragon Properties Ltd.	Amson Group	Amson Group	Private Investor
Date Opened	2019-06-22	2019-06-11	2019-06-11	2019-06-22
Subarea	City of Vancouver	Surrey / Delta / White Rock	Surrey / Delta / White Rock	City of Vancouver
Submarket	Vancouver Westside	Newton	Newton	Vancouver Eastside
Project Type	Low Rise	Low Rise	Mid Rise	Low Rise
Construction Type	Wood Frame	Wood Frame	Wood Frame	Wood Frame
Floors	4	4	5	4
Project Total Units	**31**	**40**	**50**	**23**
Total Units Released	**31**	**40**	**50**	**23**
Unit Type (see note in text)				
Studio	-	-	2	-
1 bedroom	-	3	3	8
1 bedroom + den	4	21	30	-
2 bedroom	11	5	5	10
2 bedroom + den	2	11	10	-
3 bedroom & up	6	-	-	5
Penthouse	5	-	-	-
Other	3	-	-	-
Opening quarter sales	**17**	**10**	**10**	**1**
% Sold (of released units)	*55%*	*25%*	*20%*	*4%*
Remaining inventory	14	30	40	22
Blended $PSF	$1,289	$630	$630	$885
Minimum Size (sq. ft.)	695	552	418	518
Maximum Size (sq. ft.)	1,794	1,176	1,122	1,037
Minimum Price	$789,900	$349,900	$264,900	$459,900
Maximum Price	$2,999,000	$699,900	$699,900	$879,900
Notes	Townhouse units are included in Other			

Source: Altus Group

New Condominium Apartments - Openings

Altus Group

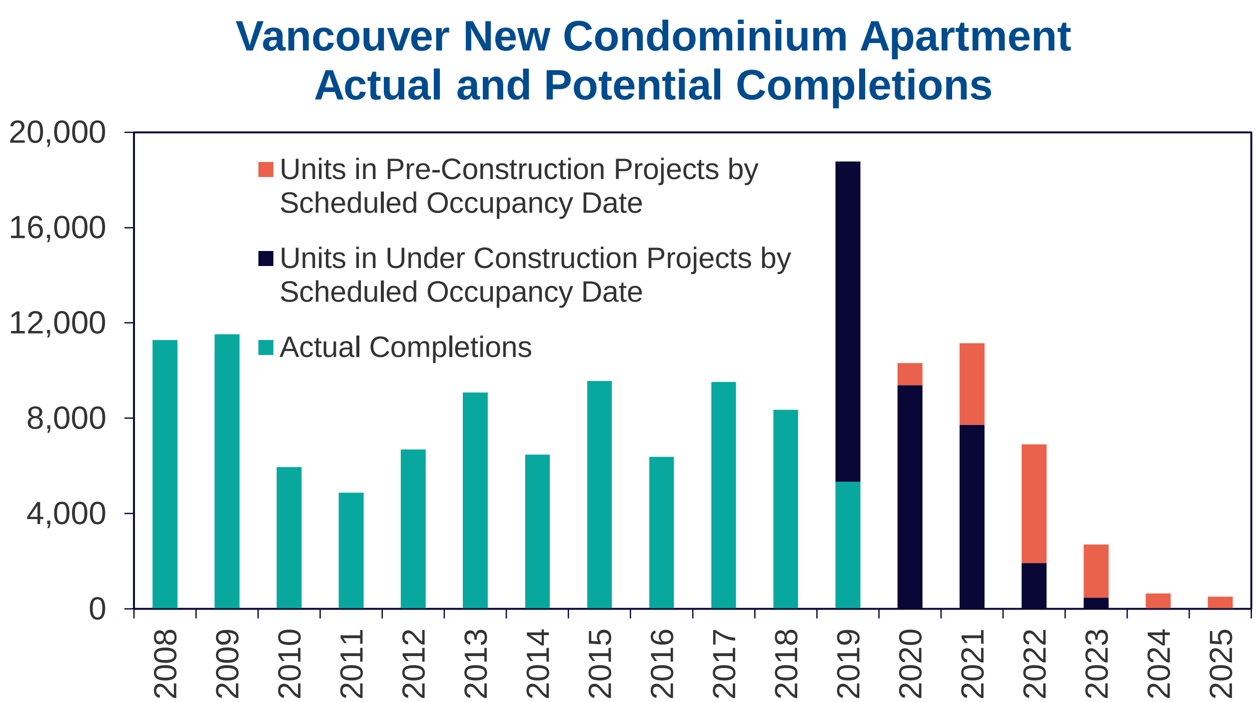
Project Record	[Monument]	[Reunion (Condos)]	[Scott & Nicholson (Nicholson)]	[Storia]

New Condominium Apartment Project Openings - June 2019 (continued)

Project Name	**Monument**	**Reunion (Condos)**	**Scott & Nicholson (Nicholson)**	**Storia**
Developer	EPTA Properties	Lanstone Homes	Realco Holdings Ltd	Beedie Living
Date Opened	2019-06-08	2019-06-17	2019-06-22	2019-06-29
Subarea	City of Vancouver	Fraser Valley	Surrey / Delta / White Rock	Burnaby / New Westminster / Tri-Cities
Submarket	Vancouver Westside	Fort Langley	Delta	Burnaby North
Project Type	Low Rise	Low Rise	Mid Rise	Mid Rise
Construction Type	Concrete	Wood Frame	Wood Frame	Wood Frame
Floors	4	2	6	5
Project Total Units	**22**	**6**	**90**	**39**
Total Units Released	**22**	**6**	**84**	**39**
Unit Type (see note in text)				
Studio	-	-	-	-
1 bedroom	-	-	39	-
1 bedroom + den	2	-	10	14
2 bedroom	-	-	12	-
2 bedroom + den	12	2	23	22
3 bedroom & up	-	4	-	3
Penthouse	6	-	-	-
Other	2	-	6	-
Opening quarter sales	**6**	**0**	**84**	**30**
% Sold (of released units)	*27%*	*0%*	*100%*	*77%*
Remaining inventory	16	6	0	9
Blended $PSF	$1,535	$450	$602	$805
Minimum Size (sq. ft.)	720	1,329	600	711
Maximum Size (sq. ft.)	1,510	2,053	1,410	1,486
Minimum Price	$979,900	$649,900	$364,900	$604,900
Maximum Price	$2,699,900	$889,900	$699,900	$1,229,900
Notes	Townhouse units are included in Other		Townhouse units are included in Other	

Source: Altus Group

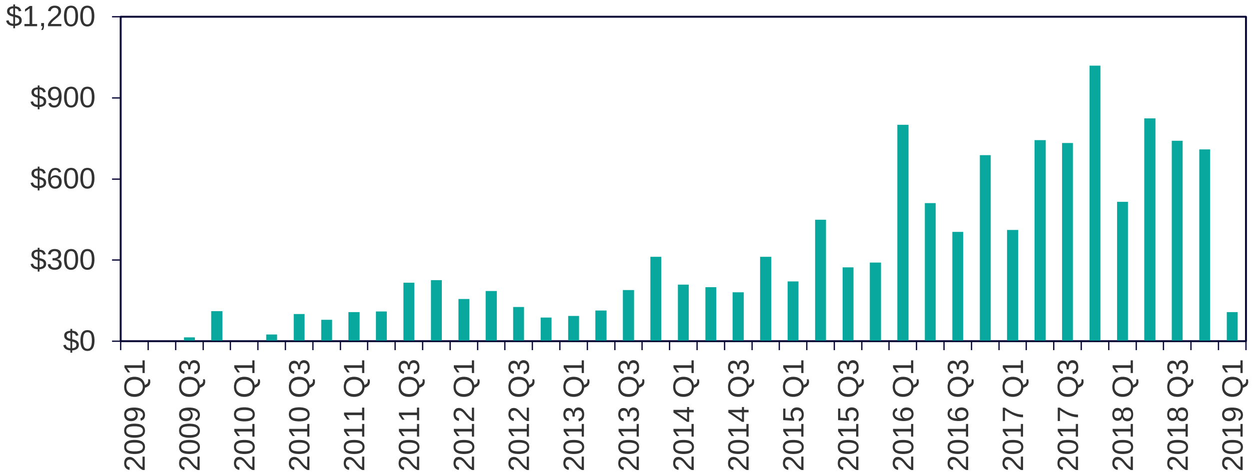
- As of the end of Q2 2019, there were **over 45,600 new condominium apartment units in projects either under construction or in pre-construction stages in the Vancouver Market Area**.
- In the second quarter of 2019, there were 3,402 units delivered/completed, based on Altus Group data, up 121% from Q2 2018. **For the first half of the year completions are up significantly** - to just over 5,300 units, compared to about 3,000 units for the first half of 2018.
- Based on scheduled occupancy dates, and only considering units currently under construction, **it is likely that completions of condominium apartment units will be significantly stronger in 2019 than 2018.** However, industry capacity thresholds will likely push the delivery timeline for some of units out further than originally planned dates. As well, given current market conditions, there is the potential that some projects not yet under construction will have delayed starts – or even be cancelled.
- The stronger completions in 2019 could mean as well a larger number of investor-purchased condominium apartment units entering the rental market.



Source: Altus Group

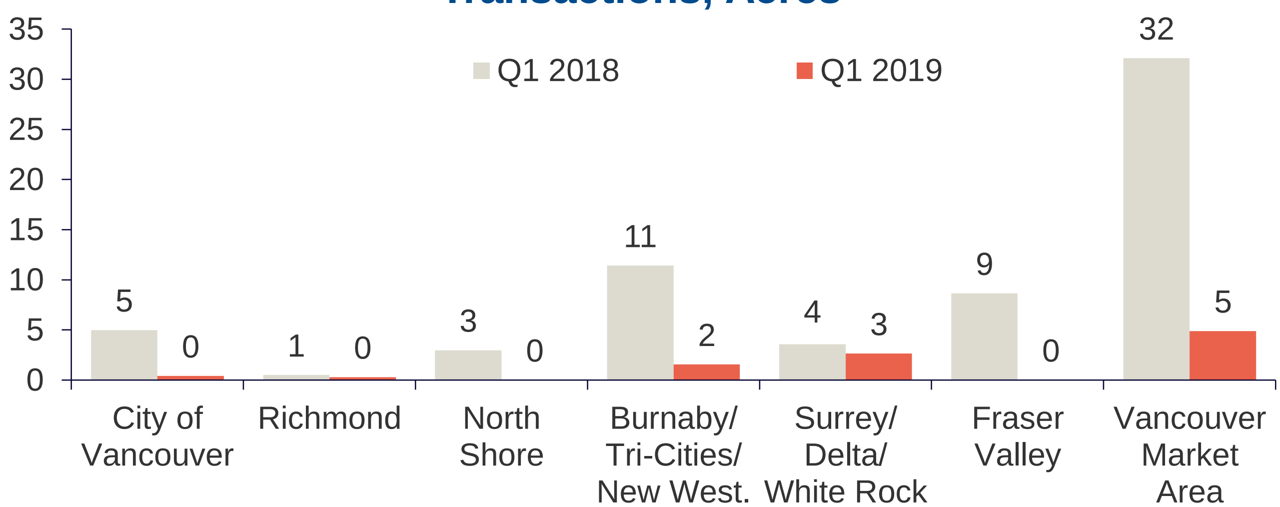
- **The dollar volume of sales of high density residential land in the Vancouver Market Area was down sharply in Q1 2019 from both the previous quarter and Q1 2018**, according to Altus Group transactions data. In Q1 2019, high density residential land sales – potential land for future condominium and purpose-built rental projects – totaled $107 million, which was the lowest quarter since Q1 2013.
- For Q1 2019, just 5 acres of high density residential land was purchased, an 84% decrease from Q1 2018. The decrease was across all subareas.

Vancouver High Density Residential Land Sales Transactions, $Millions



Source: Altus Group

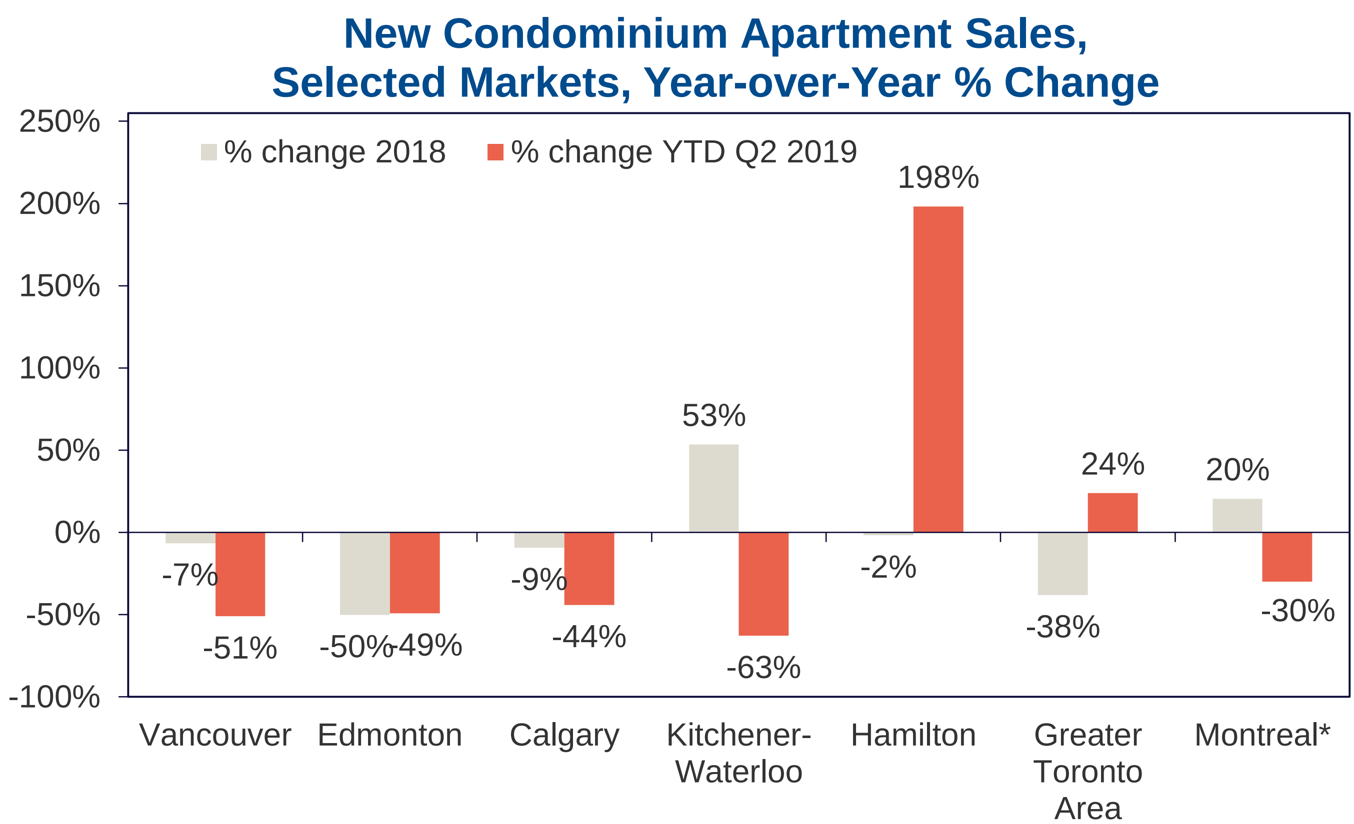
Vancouver High Density Residential Land Sales Transactions, Acres



Source: Altus Group

New Condo Apartment Sales Across Canada

- Vancouver was not the only major market where sales were down in Q2 – **many of the markets tracked by Altus Group recorded significantly softer new condominium apartment sales in the first half of 2019** compared to a year ago.
- The exceptions were higher sales in the Greater Toronto Area (GTA) and Hamilton. While new condo sales in the GTA had plummeted in 2018 and remained subdued in Q1 2019 (following a record 2017), the market now appears to be on the mend.



* Montreal data are for Q1 only
Source: Altus Group

Altus Group New Home Data Definitions
Vancouver Market Area

Vancouver Market Area	The Vancouver Census Metropolitan Area plus Abbotsford. For simplicity in the report, the area is generally referred to as "Vancouver"; whereas the central municipality is clarified with "City of Vancouver".
Condominium apartment	Includes condominium apartment structures of all heights (low, mid and high-rise). Low-rise: up to and including 4 storeys Mid-rise: 5-9 storeys High-rise: 10 or more storeys
Single-family	Includes detached, semi-detached (duplex) and townhouse units (including stacked townhouse) in projects of 20 or more units.
Inventory	New units available to purchase/unsold at end of the period. Includes available units in pre-construction, under construction and completed projects.
Months of inventory	Unsold inventory at period end divided by average monthly sales in the previous 12 months. Indicates how long current inventory would last assuming same pace of sales (and no additional product added).
Blended $ PSF	The average price of units in projects launched during the period. Calculated by taking a unit weighted average of individual project blended average prices per square foot. The prices do not reflect constant quality product, but rather what is available to purchase in newly launched projects.
Unit size	Average size (sq. ft.) of units in projects launched during the period. Calculated by taking a unit weighted average of individual project blended average sizes.
Completions	Units in projects that have reached occupancy status/been delivered during the period.
"Record" performance	All "record highs" and "record lows" are based on the time period over which Altus Group has been tracking the variable.

Note: all historical data is subject to revision